The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Japanese Invade Chahar---Marshal Chang Hsueh-liang Returns to China

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Do We Want More Political Troubles? . . By R. F. Wei

Will Our Donated Planes Participate in Civil Wars? . . . . . By Paul K. Whang

Rural Bankruptcy in China . . . . . By C. Y. W. Meng

SATURDAY, DECEMBER 23, 1933 VOLUME 67, NUMBER 4

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IN THE UNITED STATES CONSULAR COURT AT SHANGHAI, CHINA

In re. Estate of PEDRO FAUS Deceased	Cause No. Special Proceedings No. 145 NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of PEDRO FAUS, deceased, to present the same with vouchers to the undersigned on or before June 30, 1934, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

INOCENCIO M. FAJARDO,
c/o Palace Hotel Bar,
Shanghai.

Shanghai, China.
December 6, 1933.

In the United States Court for China

In re. application of VADIM P. SCHELKUNOFF, to change his name.	Cause No. 3615 Special Proceedings No. 937 NOTICE

Notice is hereby given that VADIM P. SCHELKUNOFF, an American citizen residing in China, has filed his petition in this Court praying for authority to change his name to VADIM P. SHELTON.

Any person interested may, on or before, January 6th, 1934, offer and show cause to said Court why the said petition should not be granted.

WILLIAM T. COLLINS,
Clerk of the United States Court for China.

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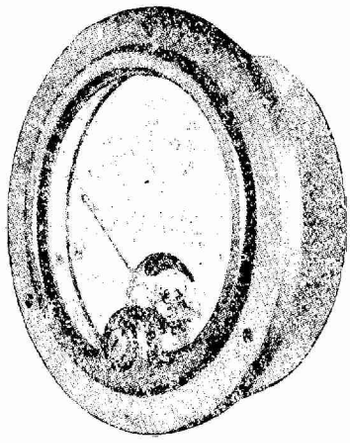

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Formerly Millard's Review

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 38 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

AMERICAN COMMUNITY FUND FOR CIVILIAN RELIEF ONLY

MEMBERS of the American community will welcome the action of the Board of Directors of the American Chamber of Commerce on Nov. 25 in passing a resolution directing that all funds derived from the present drive are to be devoted to civilian relief work exclusively. That such action was long overdue is generally realized, particularly in view of the adverse comment which followed the issuance of the last financial report showing that considerable sums from this fund had been diverted to other uses. The other uses to which a considerable portion of this fund was diverted included appropriations toward the expenses in connection with observance of national holidays and expenses of the two American candidates, C. S. Franklin and F. J. Raven, for positions on the Shanghai Municipal Council. While opinion may be divided on the matter of using some of this money in connection with necessary expenses involved in the celebration of national holidays, the action of the committee in appropriating a considerable sum for defraying the expenses of the two American candidates for positions on the Municipal Council is more difficult to defend. Obviously it will be a graceful act, if those responsible for this action would write out their personal checks for the sums involved and donate same to the Civilian Fund, which the directors of the Chamber have now wisely decided must be used for civilian relief exclusively. That there is vast need for funds in connection with relief in the American community is obvious. According to report, of some 125 persons who took advantage of a recent offer of the *Shanghai Evening Post* to insert gratis want ads in connection with appeals for jobs, some 30 of the applicants were American citizens, men and women, who are out of work. It is therefore safe to assume that the actual number must be considerably larger, hence every dollar that can be raised obviously should be used for this purpose and assuredly not for some of the other purposes recorded in the last annual report. Also, in view of the fact that the entire American community has a deep interest in this fund which belongs to the entire community, it would seem advisable that some method should be worked out whereby the community generally might be given a voice in the selection of members of the

Executive Committee which has charge of the administration. The original committee which was formed several years ago for the purpose of administering this fund has been self-perpetuating and while it may claim to be truly representative of the community, it is obvious that the community cannot have as deep an interest in the Committee as at present constituted as it would have if the community was consulted as the personnel and methods used in the administration and dispensing of the fund.

INSULL MUST LEAVE GREECE BUT SHANGHAI PROTECTS JULIAN

SAMUEL INSULL, Chicago promoter, sold the American people some $3,000,000,000 worth of securities in public utility enterprises, much of which turned out to be worthless. In order to escape prosecution he fled to Greece where the United States has no extradition treaty. The American Minister in Athens tried for several months to induce the Greek Government to surrender Insull but without success, but now it seems the Greeks have grown tired of Insull and according to a recent *Reuter* report from Athens, the Chicago promoter has been told he must leave Athens before Jan. 31. Apparently the Greek Government did not wish to permanently prejudice its friendly relations with the United States through providing protection to a man who obviously had violated American laws through the sale of worthless stocks and and bonds. Since Insull's passport has been cancelled he is in a serious predicament and according to officials of the State Department, he ultimately will be compelled to return to Chicago to face a grand-jury indictment for using the mails to defraud the public in connection with vast money-juggling schemes.

But while steps are being taken to return Insull to the United States for trial, nothing further has been heard for many weeks about C. C. Julian, another promoter of worthless stocks, who is residing in Shanghai in apparent safety against arrest by the American authorities. Like Insull, Julian was born a British subject, but Insull apparently became an American citizen while Julian retained his Canadian nationality. It is due to Julian's Canadian citizenship, that he apparently is free from molestation under exterritorial jurisdiction in Shanghai, for so long as he resides here neither the Americans or Chinese can arrest him and the British authorities claim they likewise are precluded from taking action because Julian's alleged crimes were not committed under the British flag, but in the United States. Just how much money Julian managed to store away before he fled from the United States is not known, but there apparently are plenty of people in California and Oklahoma who would like to get hold of him. A report from Los Angeles which was published in the *Kansas City Star* on Nov. 7 stated that losses from Julian's activities in that city amounted to well over $13,000,000 in U. S. Currency. The report was based on an investigation into federal receiverships which is now being conducted by a commission of five United States Senators. The report stated that Julian received $500,000 for his stock in one concern before it went into receivership. The charge was made that the receivers of the Julian Petroleum Company, through refusing to disclose the names of valid stockholders had prevented the filing of suits for the recovery of losses up to $13,000,000. Serious charges were made by the Senatorial Commission that federal receivers had received fees running from $210,000 to $390,700. It was also charged that there had been an over-issue of 4,000,000 shares in one of Julian's stock fiascoes. Joseph Scott, who nominated Herbert Hoover for the Presidency in 1932, received $105,000 in receivership fees before he resigned the position in 1929, according to disclosures in the Senatorial investigation. All of which would seem to point to the desirability of the American and British authorities getting together and working out some method whereby C. C. Julian could be returned to the United States in order that the whole story of his questionable practices could be brought out. At any rate no particular honor accrues to this city as a result of granting Julian refuge!

MUTUAL SOVIET AMERICAN PLEDGE AGAINST PROPAGANDA

IN view of the frequent charges which are made that either the Soviet Government or the Communist "Third International" or both are lending support to the Chinese red armies operating in central China, it is of interest to review briefly the mutual pledges of the Soviet Union and the United States with regard to this question. The following is the complete text of the Roosevelt-Litvinov exchange of letters referring to propaganda in their respective countries:

"My dear Mr. President:

"I have the honor to inform you that coincident with the establishment of diplomatic relations between our two governments it will be the fixed policy of the government of the Union of Soviet socialist Republics:

"1. To respect scrupulously the indisputable right of the United States to order its own life within its own jurisdiction in its own way and to refrain from interfering in any manner in the internal affairs of the United States, its territories or possessions.

"2. To refrain, and to restrain all persons in government service and all organizations of the government or under its direct or indirect control, including organizations in receipt of any financial assistance from it, from any act overt or covert liable in any way whatsoever to injure the tranquility, prosperity, order, or security of the whole or any part of the United States, its territories or possessions, and, in particular, from any act tending to incite or encourage armed intervention, or any agitation or propaganda having as an aim the violation of the territorial integrity of the United States, its territories or possessions, or the bringing about by force of a change in the political or social order of the whole or any part of the United States, its territories or possessions.

"3. Not to permit the formation or residence on its territory of any organization or group—and to prevent the activity on its territory of any organization or group, or of representatives or officials of any organization or group—which makes claim to be the government of, or makes attempt upon the territorial integrity of, the United States, its territories or possessions: not to form, subsidize, support or permit on its territory military organizations or groups having the aim of armed struggle against the United States, its territories or possessions, and to prevent any recruiting on behalf of such organizations and groups.

"4. Not to permit the formation or residence on its territory of any organization or group—and to prevent the activity on its territory of any organization or group, or of representatives or officials of any organization or group—which has as an aim the overthrow or the preparation for the overthrow of, or the bringing about by force of a change in, the political or social order of the whole or any part of the United States, its territories or possessions.

"I am, my dear Mr. President,
"Very sincerely yours,
MAXIM LITVINOV."

In reply to the foregoing pledge by Litvinov that Russia will refrain from propaganda in this country Mr. Roosevelt restates the language of the pledge and says:

"It will be the fixed policy of the executive of the United States within the limits of the powers conferred by the constitution and the laws of the United States to adhere reciprocally to the engagements above expressed."

This interesting document which binds the American and Russian governments against conducting propaganda in each other's territory, makes no mention of the so-called Third International, which is the world-wide union of the Communist parties which exist in practically all countries. Therefore there was special interest in an interview touching this point which the Washington newspaper correspondents had with Mr. Litvinov following the conclusion of his conversations with President Roosevelt. The following account of the interview pertaining to the Third International is reproduced from the November 18 issue of the *Chicago Tribune:*

The commissar was asked if his pledge on propaganda did not affect the activities with the Third Internationale.

"The Third Internationale is not mentioned in the documents," he replied emphatically. "You can not read into the document more than is stated there. More words are not necessary."

"Does the document affect the activities of the communist party?" he was then asked.

"What communist party?" he parried.

"The Russian communist party."

"The Russian communist party has nothing to do with America and the American communist party has nothing to do with Russia."

Finally the persistent reporter asked Mr. Litvinov:

"Has any one in your country, to your knowledge, disseminated propaganda in the United States?"

"To my knowledge?" he asked. "I wish you would give me the addresses of such persons."

The official Chinese *Kuomin* service on Dec. 24 stated that the Soviet Embassy in Nanking had denied the reports which had appeared in the Japanese newspaper, alleging that Soviet representatives had been sent to Fukien province. The Soviet authorities stated there would be no interference in China's internal affairs and no establishment of relations with the new regime in Fukien province.

"WHITE BANDITS" OF MANCHURIA

MANY persons have thought that Russian Soviet citizens have been too extreme in characterizing their "White Guard" enemies as "White bandits." But although there are certainly many Russian emigrants who are living quietly and decently abroad, the recent amazing discoveries in Harbin have shown that the most militant and "patriotic" of the Russian counter-revolutionary groups have been actually financing themselves (and many individuals filling their own pockets in the process), by highway robbery, kidnapping, and murder, not to speak of the lowest kinds of political intrigues, espionage, and co-operation with every possible element which is willing to utilize them against their motherland. They have, it is now clear, played a most important role in the long estrangement of China and Soviet Russia, serving as willing tools of the Japanese in every possible capacity.

It was the recent murder of the French naturalized musician, Simon Kaspe, which resulted in the uncovering of the gang of "White" bandits so closely associated with the Harbin police, and actually led by Martinov, a chief of detectives. Their police connections kept them safe for a long time, but the Japanese who have been appointed to important posts have had to make some effort to check the rampant crime in Harbin, especially when pressed by a friendly Power such as France. Simon Kaspe, who was kidnapped on August 24 on the streets of Harbin, was a French citizen, and the French Consulate there took up the matter vigorously, demanding that the Harbin police must secure his release. The French were evidently aware of the kidnappers' connection with the police, as they finally went above the police to demand action, and the Japanese Military Mission in Harbin gave explicit orders to Yoguchi, the Japanese chief of the Criminal Investigation Department under the new regime there, to find the kidnapped man. It was inevitable, however, that the kidnappers should know of this, and they finally murdered Kaspe, as they had murdered another Jew (Koffman) some months previously. But under the urging of the French Consulate, the higher officials carried on until they had rounded up most of the gang. The make-up of this gang is a story in itself—a most significant story.

The real leader of the gang was Detective Inspector Martinov, leader of Russian "Whites" and supplier of munitions to "White" guerilla and bandit bands, which preyed upon the country and attempted raids into Soviet territory at unguarded border points. The names of the bandits were given in *Reuter* reports from Harbin, also in letters to the *North China Daily News* at Shanghai, from which the present partial list is taken. One of the gangsters was Shander, prominent member of the Russian Refugee Committee and one of the kidnappers of both Koffmann and Kaspe. It was he who finally confessed that Inspector Martinov was the leader of the gang. The police at first professed disbelief, but the Japanese chief insisted upon action, and at last Martinov was arrested, together with some of his aides, and finally confessed. Four days later another man, Komisarenko, was arrested—also a participant in Kaspe's kidnapping. This man was leader of the "White" organization known as the "Russian Brotherhood" at Harbin. Another of those arrested was Galushko, son of a deacon of the Russian Orthodox Church, already with a criminal record and a previous charge of murder. Another was Kirichenko, known as a Russian Fascist, and of course one of the "Russian Brotherhood." Five more members of the Russian Refugee Committee were arrested by the police, who however kept their names secret.

These arrests have thrown a lurid light upon the activities of certain "White" Russians in North Manchuria. It has been repeatedly asserted that there were "White" Russians in police employ there, as elsewhere in China, who are capable of every possible criminal activity that they think may damage Soviet Russia, even down to the forging of documents professing to show "Communist intrigue," and the wrecking of trains. Today it has been made terribly clear that this is absolutely true, that there were actually Russian murderers and bandits in police employ, chosen primarily because of their "White" political complexion, and enabled to carry on their nefarious activities under police protection.

A "White Russian" paper here, the *Shanghai Zarya*, has published the story of Martinov and his bandits, as given to them by K. I. Nakamura of the gendarmerie at Harbin, from which it appears that Martinov came to Harbin in 1923, having fled from Vladivostok when Semenoff and other bandits were deserted by their Japanese protectors in Russia. When Chang Tso-lin began organizing a Russian detachment, Martinov took an active part. The Russian counter-revolution was already broken, and only groups of adventurers and criminals still clung to it, making a living through banditry or collection of funds for "patriotic" purposes. Martinov was active in the supplying of "White" bandit or guerilla gangs with munitions and supplies, and when the supply of money from "sympathizers" and other "suckers" ran short, he turned to robbery for the purpose. He considered, says the *Zarya*, that "to kidnap a man, and use the ransom money to supply munitions and supplies to anti-Communist detachments, is no crime." How successful these kidnappings and robberies were in raising funds is indicated by Martinov's obtaining from Tsinan-fu, in March last year, over 2,000 rifle and revolver cartridges, several machine-guns with parts, and other munitions, part being sent to the "White" guerillas and some being kept at his house where he was seized.

Martinov and his gang of "patriots" not only kidnapped and murdered, but went in for train robbery. Their first attempt, however, on the Chinese Eastern Railway line at Yalu, was a failure from the financial viewpoint, as the paymaster they had expected to seize, with $200,000, had his car detached at Tsitsihar. Whether they were associated with the terrible wrecks of the last few weeks has not yet been ascertained, though Martinov himself was evidently not directly involved, having been arrested on October 9, four days after he murdered Col. Argunov. All attempts to track the gang before that time had of course been fruitless, Martinov always putting the police—not all of whom were actually in "cahoots" with him—on false scents.

The "patriots," it seems, compensated themselves adequately for their services on behalf of the "cause," according to the account in the Zarya. The $20,000 ransome received on Sherell de Florance, for instance, was divided unequally among the kidnappers. "Patriot" Kuksenko received $9,000, and left for Shanghai. The equally patriotic Ivanov, however, received only 300 yen, at which he was much disgruntled. It was he who first gave the game away. (It appears from the *Zarya* account that Martinov in a least one case actually took a revolver from the police supplies to use in a "job.")

So important is this "clean-up" that, according to Nakamura, "with the liquidation of this gang, we shall have peace in Harbin. The local criminal world is left without leaders, and badly smashed, and we do not see any new leaders hastening towards Harbin." He might have added (though the *Zarya* does not say so) that this remark evidently applies to the "Russian Brotherhood," whatever may be said of the "Russian Refugee Committee."

One point was not referred to in the *Zarya*, nor in the otherwise illuminating correspondence of the *North-China Daily News* on the subject—the fact that the victims of the gang were all, or nearly all, Jews. The gang possessed the characteristic fanatical hatred of the "White" Russian towards the Jew, and regarded the latter as fair game. Koffman, who was kidnapped and then murdered several months ago, was a Jew. Sherell de Florance, whose ransom arrived in time to save his life, was a Jew. The gifted Kaspe was a Jew, and what he went through in the many weeks in their hands, when the "patriots" first hacked off his ear and sent it to his father, and then tortured him again and again in order to increase the urgency of his desperate pleas for help, can only be imagined. His death, at last, must have come as a blessed relief. This is the same artist to hear whom hundreds of music-lovers gathered here in Shanghai not so long ago, and who is remembered here, as in Europe, as a splendid and rising young artist.

The significance of this must be emphasized. *The Review* has on previous occasions referred to the extraordinary deference paid to "White" Russian emigrants even in Shanghai, and the manner in which some of the most doubtful characters have gained entrance to the police force simply because of their "counter-revolutionary" political connections. Notoriously bad characters have been utilized, and deliberately encouraged, merely because certain reactionary elements believe they may be useful some day in a war against Russia, or even in a war against the Chinese Revolution. Chang Tso-lin is long since dead, but his son had to pay dearly for his siding with "White" reactionaries and permitting them to embitter relations with the Soviet. The Japanese, indeed, long made use of these men, and are using Semenoff and others today. But now, when they are trying desperately to establish some kind of order out of the present chaos in Manchuria, they must do something to check the criminals who have so long operated with impunity, and even with encouragement. It would be interesting to find out—as we may find out some day—just how many of the "Communist plots" which have been "discovered" by "White Russian" police in Harbin—the ostensible cause of the disastrous attempt to seize the Chinese Eastern Railway in 1929—were really invented by these "White" reactionaries themselves. It is obvious that men who go in for kidnapping, murder, and train robbery would not hesitate for a moment at forgery.

EIGHT PERCENT PREFERENCES PROVE A BURDEN

ONE of the problems that has of late confronted a number of companies in Shanghai which have a large proportion of their capital in preference shares, many of them on an eight per cent cumulative basis, is what course to pursue in view of the fact that, owing to the large accumulation of idle capital in Shanghai (in common with many other parts of the world), money lying in banks is earning hardly any interest whatever, whereas financing is easily available at present on a five or six per cent basis. Preference shares at eight per cent in years past represented only an ordinary return on the money invested, but at present prove a heavy burden on the company, and particularly on the ordinary shareholders. In reality, preference shares are little different from bonds, and, as a matter of fact, in the Shanghai share lists preference shares and bonds are listed under the same heading. Owing to the fact that eight per cent shares under existing conditions return a relatively high rate of interest, comparatively speaking, they have been selling at a high premium. Take, for example, the old established New Engineering & Shipbuilding Works. Their 8 per cent preferences have sold during the year as high as Tls. 8.90 as against a par of Tls. 5. Of late, however, there have been rumors that the New Engineering, because of changed financial conditions, intends to liquidate, and convert its preference shares into a bond issue, thereby relieving the ordinary shareholders of a rather heavy burden. In consequence New Engineering preference shares have sold of late as low as Tls. 8.30. Many of the smaller shareholders are anxiously waiting some indication from the majority of the shareholders as to whether such a scheme of refinancing is to be undertaken. The annual meeting will take place about the middle of February. The plethora of money in Shanghai is having its repercussions in many directions. Many of the foreign banks are paying no interest whatever, except on large sums, and then only a nominal rate of something like one per cent. Chinese banks, which a year or two ago were willing to pay seven per cent on a fixed deposit for a year, are now hardly willing to pay any interest whatever.

The Fundamental Issue in the Far Eastern Situation

DR. W. W. WILLOUGHBY, professor of political science at Johns Hopkins University, who served as a legal adviser to the Chinese delegation at the Washington Conference, declared in 1922, shortly following the close of the Conference, that the future outlook for peace "depended upon the extent to which Japan, in reversal of her former policies, will be guided by a strict regard for the spirit as well as for the letter of her international engagements, and will sincerely seek, or, at least avoid the placing of obstacles in the way of the welfare of her great neighbors, China and Russia." This statement by Dr. Willoughby was prophetic because experience has shown that Japan cannot be trusted to observe her international treaty obligations which were entered into in good faith and without compulsion. Despite all the commotion which is being made over naval competition and Japan's demand for parity with the United States and Great Britain, the fundamental issue in the complications of Japan and America is not whether Japan shall or shall not match the American fleet boat for boat, or whether Japan shall or shall not dominate Manchuria. The fundamental issue is concerned almost entirely with the matter of good faith with respect to international obligations.

The Washington Conference, called by the United States, was a meeting of sovereign and independent states. It was called for the purpose of considering two fundamental questions: limitation of armament and Far Eastern problems. All nations that participated in the meeting did so voluntarily and since military coercion could not be applied, no question was brought up that could not be discussed freely and decided upon unanimously. In this respect the Washington Conference differed materially from the Versailles Conference which was a meeting of victors and vanquished. Germany had been defeated, hence coercion was used to compel agreement to the Allied demands. Now Germany is beginning to recover from her defeat and is striving to recover the position to which her people think they are entitled in world affairs. And in this demand the Germans have considerable justice on their side because the Allies themselves have failed to live up to their obligations. But in Japan's case the situation is entirely different. Japan participated in the Washington discussions as a sovereign and equal power and her delegates attached their signatures to resolutions and treaty decisions without coercion. In other words Japan's delegates, along with the delegates of eight other sovereign and independent states, agreed that certain alterations should be made in past methods and policies. It was a give and take proposition all around. The United States and Great Britain agreed to do certain things and in exchange for this Japan agreed to do certain things. The decisions were voluntary and unanimous. But Japan has not lived up to her commitments; she has violated all of the four major principles embodied in the fundamental Nine-Power Treaty wherein it was agreed:

1—To respect the sovereignty, the independence, and the territorial and administrative integrity of China;
2—To provide the fullest and most unembarassed opportunity to China to develop and maintain for herself an effective and stable Government;
3—To use their influence for the purpose of effectively establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China;
4—To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly states and from countenancing action inimical to the security of such states.

It is Japan's violation of this treaty which is at the foundation of present complications in the Far East, hence Japan must do one of two

things: She must either go back to the fundamental principles of a law-abiding state, or she must fortify herself against those who still believe in the rule of law. But since Japan's present leaders apparently have decided that they are not bound by the commitments of their delegates at the Washington Conference, this means that future developments in the Far East must be decided by the primitive methods of force. It is this situation which has drawn Russia and the United States together and it is this situation which is gradually but inevitably drawing all civilized states together to meet the menace of Japan.

Recently there has been considerable talk in Japan about the necessity of improving relations between Japan and America on the one hand and Japan and China on the other, but in both cases Japan is acting without sincerity. Her present leaders are merely trying to hang on to their ill-gotten gains, hoping to postpone the day of reckoning when the fundamental issue must be settled either at a peaceful conference or on the field of battle. Koki Hirota, the present Foreign Minister, who was put in office by the military clique, was quoted by the *Jiji* as suggesting the following as a means of averting war between Japan and the United States:

1.—In view of the strategical importance of the Philippines in the Pacific, no air force or naval base shall be provided in that country, in pursuance of the spirit of the agreement for the limitation of defences in the Pacific reached at the Washington Conference, to avoid exciting Japanese opinion, and in this way the Philippines shall be regarded as a permanent neutral country.

2.—America shall recognise and regard Japan's position as one responsible for the maintenance of peace in the Far East, while Japan shall aid America in the extension of her commercial rights in China and in Manchukuo, reaffirming her faithful observance of the great principle of the Open Door and equal opportunity.

3.—So long as America is ready to co-operate with Japan for a just settlement of the Pacific problem and other issues outstanding between the two nations, Japan is prepared to conclude a treaty of arbitration or other pacts designed to dispose of all disputes by Pacific means.

4.—America shall keep her Atlantic Squadron in its proper waters, instead of transferring it to the Pacific, which can only needlessly excite Japanese opinion.

5.—If America consent to the above arrangements, Japan is ready to discuss disarmament in the spirit of mutual accommodation at the forthcoming second Washington Conference.

As to her relations with China, Japan has been using force, bribery and cajolery as a means of forcing the Chinese people to agree to, and legalize her violation of Chinese territory and infringement of the country's sovereign rights. But the Japanese military clique is as certain to fail in this regard as they have failed in their efforts to convince the rest of the world as to the honesty of Japan's intentions. While certain unpatriotic Chinese officials, for selfish reasons, may agree to Japan's designs, the majority of the enlightened Chinese will continue to oppose and the result will be a continuance of chaotic conditions leading in the direction of complete anarchy. And this is a situation which Japan in her present predicament cannot afford to face for a chaotic China will ultimately bring disaster to Japan even though it does not bring about another world war.

After having violated all of her international commitments and seized territory belonging to a friendly neighboring nation, the Japanese military clique now in control of the government of the Island Empire announces that it is ready to make a new deal. But the new deal which the Tokyo military clique envisages includes the complete withdrawal of the American fleet from the Pacific, total demilitarization of the Philippines and a recognition of Japan's wholesale grab of Chinese territory. Then turning to China the same Tokyo war-lords tell the Chinese people that Manchuria is permanently lost, hence China should make the best of the situation and accept Japanese military domination. Japan's present moves toward conciliation do not indicate any change in Japanese policy, only a change in methods, hoping to gain time to consolidate her ill-gotten gains, and to complicate the real issue which is concerned with the fundamental matter of observance of treaties.

Bakerite Co. Loses Heavily Because of Change in U. S. Navy Contracts

The Bakerite Co., Fed. Inc. U. S. A., of Shanghai made public Dec. 18 a letter which it had written to the Secretary of the Navy at Washington (with copies to the Commander-in-Chief at Manila, the U. S. Navy Purchasing and Disbursing Office at Shanghai, the American Chamber of Commerce and the American Commercial Attache here, and the Naval Affairs Committee,) protesting against the action of the Navy in changing its system of supply, (importing direct from the U.S.A.) without previous notice, with the result that the Company was left with about Mex. $100,000 worth of American goods (among them 160,000 pounds of fresh frozen beef) which had been passed through the Customs duty free as being for Naval use. The Bakerite Co. in its letter stated that it had supplied goods on contract during the year to a value of about half a million Mexican dollars. A strong point was made in the letter that in an effort to get from under, the Bakerite Company offered to forego its contract price and asked the Commander-in-Chief to take existing stock off its hands "at his own latest contract price," only to have this offer rejected. C. H. Raven is president of the Bakerite Company, proprietors of the Chocolate Shop cafe and candy manfacturing establishment located at 107 Nanking Road, Shanghai. C. H. Raven is a brother of F. J. Raven, head of the American-Oriental Bank and other enterprises in Shanghai.

Motor Factory to Be Established in China?

A recent message from Nanking stated that, in order to develop the automobile industry in China, the Ministry of Industry, in response to a proposal of the Ford Motor Company, has agreed in principle to establish a joint Sino-American Automobile Works. The materials will be provided by the Ford Company, but the control will be vested in the Chinese Government. Negotiations to this end have been in progress between the Ministry of Industry and a representative of Henry Ford in China, for some time past.

With reference to the report from Nanking referring to the erection of a Ford automobile factory in China, J. V. Crowe, manager of Ford interests here said there had been no recent developments. He said that discussions on this subject between officials of the Company and representatives of the National Government had taken place in the past, but since no understanding had been reached the matter was in abeyance.

Benefit Concert Held at University of Nanking

A musical program was rendered on December 16 in the Sage Chapel of the University of Nanking. Vocal solos by Frau Wilck, and Miss I-hsuan Yu; violin solos by Shan-tong Chow; and a mixed chorus from the University of Nanking and from Ginling College under the leadership of Dr. A. H. Strassel, helped to fill out an exceptionally interesting program. Dr. Strassel is an instructor in music in the Central University of Nanking and Miss Yu is also on the staff of that University. Shan-tong Chow is a student at the University of Nanking.

Motives for Japan's Present Advance Into Chahar Province

ON or about December 16 a mixed force of Japanese and Manchukuo troops variously estimated from 1,000 to 4,000 began an advance from Jehol into Chahar province. The Japan-Manchukuo forces began their advance in two columns, both moving westward, one aiming at Kuyuan and the other at Chichen. Kuyuan is about 75 miles north of Kalgan on the overland trail leading to Dolonoer while Chichen is about 60 miles almost due east of Kalgan. The enemy troops first occupied the towns Takuo and Tatan which are near the Jehol-Chahar border, apparently without meeting any resistance from the Chinese troops, but according to a report from *The Review's* correspondent at Tientsin the Chinese forces at two other towns, Santaochuan and Hungshihcha, put up minor resistance resulting in a few casualties. This report stated the Japanese were advancing in columns with the apparent purpose of capturing Kuyuan and Hsifengtsai, the last mentioned place being about 100 miles northeast of Kalgan. Another town mentioned in the dispatches was Tushihkow which is a gateway in the Great Wall leading from the extreme northern part of Hopei province into Chahar.

Chinese dispatches telling of the Japan-Manchukuo advance into Chahar, stated originally that the Japanese purpose was to consolidate the Japanese military lines along the sector of the Great Wall which extends in a westerly direction from the southern Jehol border and for a considerable distance forms a border between Hopei and Chahar provinces. It was claimed that bandits were infesting this district, hence the Japanese desired to drive them out and create a sort of "neutral" or demilitarized zone along the border between Jehol and Charhar and also between Hopei and Chahar, the Japanese alleging this was in accordance with the terms of the Tangku truce agreement suspending Sino-Japanese hostilities which was signed on May 31 last. However, the earlier Chinese reports disputed this Japanese statement and made the counter-charge that the Japanese invasion of Charhar constitutes a Japanese violation of the terms of the Tangku truce. The official *Kuomin* news service in a dispatch from Peiping on Dec. 16 said that the Japanese invasion of Chahar was based on the pretext of prolongation of the demilitarized line and aimed at the occupation of Kuyuan, Shacheng and Chihcheng in Chahar province "so as to facilitate Japanese-Manchukuo military transport in the event of a Russo-Japanese war." The *Chen Pao*, Chinese language newspaper in Shanghai which is popularly regarded as Gen. Chiang Kai-shek's organ, declared on Dec. 18 that Japan's action in extending her military occupation of the extensive strip of territory in Chahar adjoining Jehol and Hopei was for the phrpose of preventing a Chinese attack from the rear of the Japanese forces in Manchuria "in the event of hostilities breaking out between Soviet Russia and Japan." The frequent appearance of this explanation in the Chinese news reports from Peiping led to the suspicion that a secret report to this effect may have been issued from the office of the Japanese Military Attache in Peiping. Col. Shibayama, Japanese Military Attache, according to a *Reuter* despatch from Peiping on Dec. 17, told Gen. Ho Ying-chin, Chinese military commander in Peiping that the Japanese object was to clear the "bandits" away from the Jehol-Chahar border and after the bandits had been suppressed the Japanese troops would be withdrawn. This report naturally created considerable uneasiness in Chinese circles because of the Chinese remembrance that the original drive on Chinchow in southern Fengtien province late in 1931, following the Japanese occupation of Mukden, had been for the purpose of "suppressing bandits," but had culminated in the Japanese occupation of this area and later on provided a base for further Japanese aggression in Jehol province and at Shanhaikwan. The Japanese drive into northern Hopei province from Jehol early in the present year which reached the environs of Peiping and Tientsin and resulted in the creation of the so-called "neutral" zone, was also made under the guise of an "anti-bandit" drive, hence the Chinese are certain that the Japanese troops, once established in this area will remain there permanently, and also that this newly acquired zone will be used for a further advance and occupation of Kalgan, provincial capital of Chahar, which is only about 100 miles to the northwest of Peiping and connected with the former Chinese capital by both railway and motor road.

The official Japanese *Rengo* service, in a dispatch from Tientsin on Dec. 18, declared that the report pertaining to an advance of Japanese and Manchukuo troops into Chahar province "was absolutely groundless," and had originated with the Chinese commanders Liu Kwei-tang and Sung Chih-yuan. However, the Japanese military spokesman, connected with the Japanese garrison in Tientsin, admitted that Japanese and Manchukuo troops are now engaged in a "bandit suppression campaign along the Chahar border." This Japanese attempt to minimize the military action was reflected in other late reports from Peiping which quoted the Chinese military authorities as declaring the situation was not serious and would be adjusted with the Japanese "through diplomatic channels." Two reports from Peiping through *Reuters* on Dec. 19 quoted the Chinese authorities as stating the Japanese troops would be "withdrawn shortly," but admitting that a considerable detachment of Japanese troops would be left in Hsifengchi "for the time being." It also was stated that the Chinese troops formerly stationed in the area had been withdrawn to Tushikow and Lungmen "in order to avoid a conflict." Another report from Gen. Sung Chih-yuan, governor of Chahar gave an interesting explanation of the Japanese action by stating that part of the Manchukuo troops in Jehol had rebelled against the Japanese and fled into Chahar "thus making it necessary for the loyal Manchukuo forces (and the Japanese) to cross the border to pursue the

mutineers." It was in this connection that the combined Japanese-Manchukuo forces had clashed with the Chinese troops at Hsifengchai which is located to the east of Tushikow, "however, the misunderstanding between the Chinese and Japanese troops had been cleared up and the Japanese were expected to withdraw shortly," stated Gen. Sung's telegram.

In view of the obvious efforts of the Chinese and Japanese military authorities to suppress the facts regarding Japan's latest military action in north China, it is interesting to note that foreign diplomatic officials in Peiping have placed an entirely different interpretation on the situation. According to these reports the Japanese advance into Chahar has two definite objectives, the first and most important being a Japanese military gesture in support of the Mongolian independence movement. Northern Chahar province as well as the northern sections of the adjoining provinces, Suiyuan and Ninghsia, are embraced in the territory which is affected by the Inner-Mongolian autonomy movement. According to reports from authoritative sources in Peiping the Mongolian leaders have notified the Nanking Government that unless China agrees to their demands they will seek assistance "from another quarter." It was therefore of undoubted significance that the Japanese advance into Chahar coincided as to time with the arrival of Gen. Huang Shao-hsiung, the Chinese Government's delegate to Inner-Mongolia, at Nanking for the purpose of reporting to the Nanking authorities on the Mongolian situation. Also, there was added significance in the fact that the official Japanese *Rengo* service has issued reports in recent days from Harbin alleging a serious uprising in Outer-Mongolia against the Soviet authorities. The latest Japanese report on this subject, dated Dec. 19, alleged that 60,000 Mongolians in Outer-Mongolia had rebelled against the Soviet authorities and the Soviet Government had been compelled to mobilize its troops stationed in the Trans-Baikal region in order to cope with the situation. Japan's chief objective, since the occupation of Manchuria, has been the inclusion of both Outer and Inner-Mongolia in the Manchukuo puppet state, to which end the Japanese have been constantly intriguing in these areas, promising the tribal leaders that if they will rebel against Chinese and Russian control and join Manchukuo they will not interfere with their tribal lands or customs and will permit them to pursue their traditional pastoral habits, besides offering them a better market for their products consisting of hides, furs, wool and animal products generally. Immediately following the Japanese military occupation of north Manchuria the Japanese started a military school at Hailar in the Barga section of Heilungkiang province for the training of Mongolian officers and in addition the sons of several of the Mongolian leaders have been sent to Japan for military training and higher education. Since the Mongolian tribesmen in Inner-Mongolia have been deprived of their grazing lands by the Chinese farmers and have been oppressed by the Chinese military leaders, and the tribesmen in Outer-Mongolia allegedly have been oppressed by the Soviet's monopolization of the trade of that area, the leaders in both Inner and Outer Mongolia have listened to the Japanese propaganda and have been more or less thrilled by the Japanese plan for re-creating the ancient Manchu-Mongolian Empire under the Manchu "boy emperor" Henry Pu-Yi who is scheduled to be installed as "emperor" of the puppet state next March. There seems to be little question but what the Soviet authorities are seriously worried over this phase of Japanese military activity for a serious rebellion in Outer-Mongolia would expose a further stretch of the Russian frontier to Japanese attack.

In addition to the foregoing explanation of motives behind the recent Japanese advance into Chahar, Peiping reports have indicated that the Japanese move also constituted a gesture of displeasure toward the Nanking Government in retaliation for Nanking's recent action in ordering a suspension of the recent negotiations between the Chinese and Japanese military authorities in Peiping for the resumption of railway, postal and telegraphic services and demacration of the boundary between north China and Manchukuo. As a result of the rebellion of the 19th Route Army in Fukien and political criticism from Canton, charging that Nanking was on the point of granting recognition to the Japanese puppet state of Manchukuo, the Nanking Executive Yuan ordered a suspension of all negotiations in Peiping. This action had the natural effect of arousing strong animosities among the Japanese military authorities, who allegedly retaliated by ordering an advance into Chahar, the purpose being to threaten the occupation of Kalgan, which, if carried out wouln cut the railway communication not only with Chahar but also with Suiyuan and Ninghsia, but also would menace Shansi province, located to the west of Peiping. Sun Fo, head of the Nanking Legislative Yuan in an interview prior to his departure for Canton on Dec. 19, strongly criticised Ying Tung, the Managing-Director of the Peiping-Mukden Railway for his efforts to re-establish railway communication between Peiping-Tientsin and Manchukuo. It was Ying Tung who went to Tokyo and Changchun as a "good-will" messenger and inaugurated the negotiations with the Japanese Kwantung Army for the resumption of railway, postal and telegraphic services with Manchukuo. Ying Tung was dispatched on the mission by Huang Fu, head of the Peiping Political Reorganization Commission, who has been responsible for the negotiations looking toward the recognition of Manchukuo. According to Sun Fo, the actions of Ying Tung were contrary to the instructions of the Central Political Council and in consequence he should be not only dismissed from his post but severely punished.

Reports from Peiping published in the local newspapers on Wednesday, Dec. 20 stated that the Japanese and Manchukuo troops are remaining in their positions near Kuyan, but there had been no further fighting due to the orders of Gen. Sung Chieh-yuan to avoid a clash. A report in the *China Times* stated the Japanese have constructed an airdrome at Dolonoer and have a dozen scouting planes stationed there. Two Japanese airplanes flew over Kuyan and Tushihkow on Dec. 17 but no bombs were dropped. The Chinese troops and strict instructions not to fire on the Japanese planes.

Significance of Marshal Chang Hsueh-liang's Return to China

MARSHAL Chang Hsueh-liang, son of the late Chang Tso-ling former ruler of Manchuria, was born at the town of Haichen, Fengtien province in 1898 which was three years after the close of the Sino-Japanese war and six years before the beginning of the Russo-Japanese war. Chang Tso-ling then regarded as an outlaw by the Manchu authorities in Peiping, had been subsidized by the Japanese and used by them against the Russians, hence the "Young Marshall" got his start in life under stirring circumstances. His experiences since have been almost as continuously thrilling. He was appointed an officer in his father's army at an age when most American boys are in high-school and at the age of 19 was a colonel in command of the body - guards attached to the Tuchun of Fengtien. A short time later he was aide - de - camp to the president of China at Peiping and from then on was the commander of mixed-brigades participating in his father's wars against the Anfus, Wu Pei-fu and other Chihli war-lords and once for a brief period controlled the Chinese areas around Shanghai. When the Japanese blew up his father's train at the Mukden viaduct in 1928, causing the violent demise of the old Mukden war-lord, the Young Marshal, then only thirty years of age was catapaulted into the office of military dictator of China's north-eastern provinces, a territory about one-fourth the size of the United States and the center of international intrigue. But while the Young Marshal had grown up in a military uniform as the son of a military dictator and became a dictator himself upon the death of his father, he had nevertheless imbibed copiously of Chinese nationalist ideas. Therefore he listened sympathetically to the Kuomintang's nationalist appeals in 1926-1927 and after his father's violent death at the hands of the Japanese in 1928 he accepted the appointment of Commander-in-Chief of the Peace Preservation Forces in the Northeastern Provinces, the appointment being made in due solemnity by the State Council of the new Nationalist Government in Nanking. It was this action which started his complications with the Japanese Kwantung Army for the Japanese were apprehensive about the Chinese nationalist movement and had intervened, without success, in an attempt to head it off when the combined armies of Chiang Kai-shek and Feng Yu-hsiang swept through Shantung province on their way to Peiping. In 1929 the Young Marshal followed the lead of the Nanking Government in breaking off relations with the Soviet Russians, but did not get off so well in this move for the Russians retaliated, after his seizure of the Chinese Eastern Railway, and quickly brought him to terms by sending an army across the border and bombing the frontier towns. However, he did not permit the situation to get out of hand and quickly made peace with the Russians, letting them resume control of C. E. R. In 1930 when the Nanking Government was menaced by the so-called Northern Military Coalition composed of Yen Hsi-shan, Feng Yu-hsiang and Wang Ching-wei, Marshal Chang Hsueh-liang came to the rescue by sending an army to Peiping causing the collapse of the coalition and the enforced retirement of Wang Ching-wei to the British colony of Hongkong. For this service the Young Marshal was made Vice-Commander-in-Chief of the National Army, Navy and Air Forces and shortly afterward unfurled the Nationalist and Kuomintang banners on his Mukden yamen and throughout Manchuria. It was while he was in Peiping in the fall of 1931, where he was holding down the military lid in north China and serving as a member of the Nationalist Central Political Council, that the Japanese took advantage of the situation and put over their occupation of Manchuria, beginning at Mukden on the fateful night of September 18, 1931.

Chang Hsueh-liang

But to make a long story short the Young Marshal's military establishment in Manchuria collapsed and his troops and the troops of his provincial commanders, probably numbering 200,000, were scattered over the countryside to become bandit gangs. Even Jehol province, where opportunity existed for sustained resistance, was surrendered to the Japanese practically without a struggle. Then the Japanese prepared for their further drive into north China, their object being to drive the Young Marshal and other anti-Japanese elements entirely out of the country. Therefore, in order to prevent a further Japanese advance which threatened to extend to the Yellow River, Gen. Chiang Kai-shek advised the Young Marshal to take a trip abroad. He sailed from Shanghai for Italy on April 11 and while most of the eight months which have since elapsed has been spent in that country, he also has traveled extensively in other European countries, excepting the Soviet Union. Now, according to report, he is returning to China and the news reports pertaining to his movements are attracting almost as much attention in the Chinese newspapers as are the reports concerning the political situation in south China.

The Japanese in particular are displaying keenest interest in the Young Marshal's movements. The official bulletin issued by the Japanese military headquarters in Tientsin, devoted more than a column to Marshal Chang on December 11,

stating that he had been driven out of China by Gen. Chiang Kai-shek because of his (Marshal Chang's) failure to prevent the Japanese occupation of the northeastern provinces. But after several months traveling in Europe at a monthly expense of $300,000, Marshal Chang now desires to return to his home land. Therefore, T. V. Soong, who also was forced to resign from the Finance Ministry by Gen. Chiang Kai-shek, has telegraphed Marshal Chang to return to China, Mr. Soong's reason being based on the fact that he needs military support. Therefore, according to the Japanese military bulletin there is a possibility that a coalition of various dissatisfied political and military elements will be formed upon the return of the Young Marshal. The report said further that Marshal Chang decided not to return by way of the Trans-Siberian Railway because this might cause further misunderstanding between Japan and the Soviets. In a further discussion of the Young Marshal's return the Japanese bulletin on December 16 said that the announcement had stimulated great activity among military commanders in north China who may be divided into three classes: (1) Those who pretend to be loyal to Nanking such as Shang Chen; (2) Those who are only anxious to maintain their present strength, such as Gen. Yu Hsueh-chung; (3) Those who intend to recover their former influence in the northeastern provinces with Marshal Chang Hsueh-liang, such as Gen. Wan Fu-lin, former governor of Heilungkiang province. Continuing, the report said that those belonging to the third category are most influential, hence the probability exists that they will take advantage of the situation to oust Generals Ho Ying-chin and Huang Fu from north China and assume control of that area.

The *World Daily News* at Peiping on Dec. 14 published a long analysis of the Young Marshal and his recent political activities, suggesting that his return to China may be due primarily to the necessity of stabilizing the situation in north China in consequence of the gathering storm of political opposition to Nanking which is developing in south China. The Peiping paper then proceeded to make the interesting statement that while the Young Marshal was severely attacked for his failure to resist the Japanese, this criticism no longer has any force for the Nanking Government is also following a similar policy at the present time:

> "Marshal Chang has received the censure of public opinion because of his non-resistance policy but to-day every one appears to have been converted to his view for no one is talking about the necessity of resistance against Japanese aggression. Then why should the public continue to blame Marshal Chang? However the country still remembers his statement that he will lead his troops for the recovery of the lost territory one day, and hopes that he will carry out this promise.
>
> "Since the sentiment of the country towards Marshal Chang has greatly improved, he should do his best to live up to the expectations of his countrymen. In the first place he should give up his non-resistance doctrine and strive to recover the lost territory of Manchuria. In no circumstances should he take the view that his doctrine is right just because the Government has not offered any resistance to Japan during the last few months. In his telegram of resignation last March Marshal Chang said that only a healthy and strong government could resist foreign aggression effectively. But such a government must be built on the foundations of a unified state. No healthy government is possible under a personal dictatorship or despotic regime. The Fascist Government of Italy is like a tower built on sands and cannot last long. It should not be imitated by China. From another point of view a healthy government cannot thrive on the soil of military feudalism. Now that he has decided to return home Marshal Chang should bend his energy to the promotion of national unification and the early realization of democratic government in China."

There have been innumerable speculations as to what the Young Marshal will do upon his return, but the most credited report is that he will be appointed Minister of Aviation in the National Government. A report in the *China Times* on Dec. 20 stated that Marshal Chang is being accompanied back to China by Major Barnardi, a noted Italian aviator who has been engaged as an aviation instructor by the National Government. Whether Major Barnardi will join the Hangchow Aviation School or will head another school to be established shortly is not known, but the report stated he was bringing two model fighting planes with him and that he has an agency for a well-known Italian manufacturer of fighting planes. Other reports which have appeared in the Chinese papers have indicated that Marshal Chang's troops now scattered through north China may be transferred to the Shanghai district.

Germany Wants Militia Increased to 300,000

A new situation has been created in Europe by a series of disarmament proposals formulated by Chancellor Hitler and communicated to Francois Poncet, the French Ambassador in Berlin, last week. The main points of Herr Hitler's proposals are:—Germany to increase her long-term Reichswehr from 100,000 men to a short-term militia of 300,000, but she is willing to sign pacts of non-aggression with all her neighbors; Germany to take all reasonable steps to remove nationalist militarism provided the other Powers do likewise; Germany, equally with other Powers, to agree to a system of supervision of armaments provided it is not enforced while she is re-organizing the Reichswehr; Germany is in favor of progressive abolition of heavy armaments, but demands equality in defensive armaments.

The London *Morning Post*, in the course of an editorial article Dec. 16 emphasized the importance of a naval conference to discuss the naval position in the Far East, in view of the "growing realization of the inadequacy of the defences of Australia and New Zealand and also the incomplete state of the Singapore Naval Base."

United States Marine Corps Is Reorganized

The U. S. Navy Department Dec. 14 announced the reorganization of the United States Marine Corps under centralized authority for the purpose of economy and increased efficiency. The East and West Coast Expeditionary Forces are abolished, they being merged into one unit known as the Fleet Marine Force. Headquarters will be in Quantico, Virginia. The reorganization of the Marine Corps will bring it closer under the wing of the Navy than it has been for some time past.

Japanese Will Not Get Tariff Preferences for the Present

Dr. H. H. Kung, Finance Minister, on December 4 is reported in the Japanese press to have declared to a Japanese representative that China is unable to lower the present import tariff on account of her financial condition, the new tariff having been effected on May 26 this year. As a result, a reduction of import duties on Japanese cotton yarn and sundry goods, which the Japanese have been pressing for, is not likely to eventuate, at least for the present.

Gen. Huang Returns to Nanking After Negotiations with Mongolians

COMPLETING a successful mission to Inner Mongolia in connection with the Mongolian agitation for self-government, Gen. Huang Shao-hsiung, Minister of Interior, returned to Nanking from Peiping Dec. 16. In the course of his extended trip in Mongolia, Gen. Huang succeeded in meeting many Mongolian leaders and in reaching an agreement with them, whereby they agreed to abandon their claim to complete self-government, but were granted rights of local autonomy under the direction of the Central Government. In the evening of the day following his arrival, Gen. Huang was received by Wang Ching-wei, President of the Executive Yuan, to whom he reported at length on the outcome of his mission. After a short stay in Nanking, Gen. Huang will proceed to Nanchang to make a similar report to Gen. Chiang Kai-shek.

Gen. Huang left Peiping for Nanking on Dec. 14 and while *en route*, he broke journey at Tsinan to see Gen. Han Fu-chu, Chairman of Shantung Provincial Government, but did not have sufficient time to visit Marshal Feng Yu-hsiang at Mt. Taishan, as was originally intended. Prior to his departure for the South, Gen. Huang was feted with a grand reception given by the Mongolian Residents' Association in Peiping Dec. 12. The reception was attended by over a hundred Mongolian residents, besides representatives of the various Government organs and civic organizations.

In behalf of the Mongolian residents, Na-Yen-Tu-En-Ke-Pa-Tu, President of the Association, expressed gratitude for Minister Huang's solicitude over the welfare of the people of Mongolia and his efforts to arrange for local autonomy in Inner Mongolia. In particular, he pointed out that Minister Huang at no time during his mission to Mongolia lost sight of the interests of the Mongols as well as those of the State. In reply, Minister Huang urged closer cooperation between the Mongolian population and the Central Government as well as between the young Mongols and the various Mongolian dignitaries, so that the work of instituting local autonomy in Mongolia might be successfully initiated.

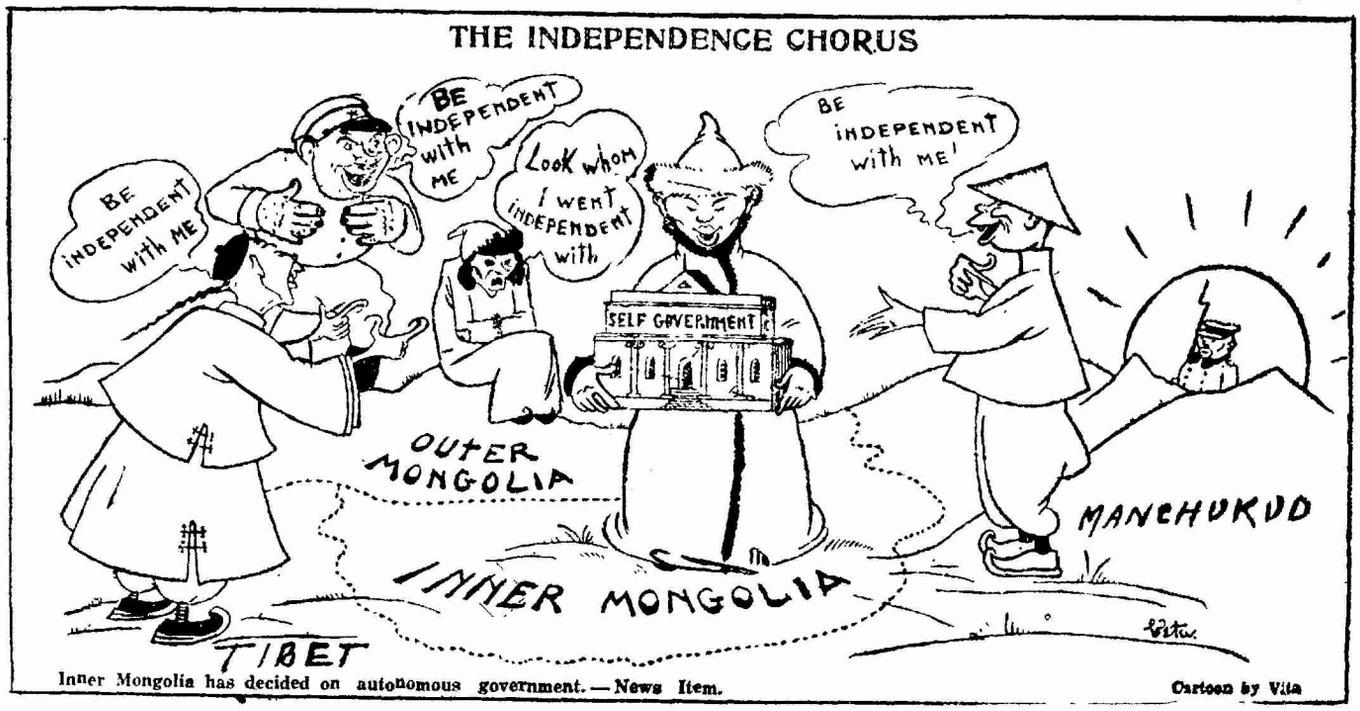
Interviewed by Chinese pressmen at Peiping Dec. 12, General Huang was questioned concerning the authenticity of the telegram alleged to have been issued by five leading Mongolian princes, including Teh Wang and Yun Wang, repudiating the Mongolian autonomy agreement concluded at Pailingmiao. In reply, Gen. Huang said that he had received no such telegram. He said that on his recent tour of inspection to Inner Mongolia he had only exchanged views with the Mongolians concerning the question of autonomy. Certain general principles were eventually agreed upon but it was incorrect to describe them as constituting an agreement.

Interviewed upon his arrival at Nanking, Gen. Huang said that as a result of his conversations with the Mongolian leaders at Pailingmiao, a tentative program for institution of local autonomy in Inner Mongolia has been agreed upon. This plan provides for the creation of two Mongolian autonomous areas (*Chu*) in Charhar and Suiyuan. It will be submitted to the Government immediately for approval and enforcement. Gen. Huang attributed the backwardness of Mongolia to the negligence of the authorities in the past to develop its rich natural resources. But he said, as a whole, the Mongolian population remains loyal to the Central Government.

In an editorial comment on the Mongolian situation Dec. 11, the *Peiping Morning Post* expressed the opinion that despite the recent agreement reached between Gen. Huang Shao-hsiung and the Mongolian leaders at Pailingmiao, the Mongolian autonomy question is far from being satisfactorily settled and urged that the Government should tackle the Mongolian affairs in future in a more responsible spirit than hitherto. In part, the editorial said:

"Most of the influential Mongolian leaders resident in Peiping are pessmistic over the situation in Inner Mongolia, the young Mongols are frankly indignant over the way in which Mongolian affairs have been tackled. True, these men do not represent the whole of Inner Mongolia, but their attitude shows at least that there are still obstacles in the way of an amicable settlement.

However, on the other hand, the paper commented: "From the standpoints of national defence, economy and education, we cannot support a movement for the establishment of an autonomous government in Inner Mongolia. The economic position of Inner Mongolia may



This cartoon dealing with the Mongolian Independence Movement appeared in the *Manchuria Daily News*, official organ of the Japanese Government-owned South Manchuria Railway on Nov. 23. It depicts Inner-Mongolia being urged to join the other "independence" movements in Tibet, Outer-Mongolia and Japanese controlled Manchukuo.

be imagined from the fact that the methods of production there are still reminiscent of the nomadic stage. Under such circumstances it is futile to expect that the Mongolians will be able to tackle the much more difficult problem of national defence."

A delegation of seven representing the Ulan-Tsab and Ordos (Yeghe Jo) Leagues of Inner Mongolia arrived at Nanking from Peiping by train Dec. 17. They have come to the Capital to express their thanks on behalf of all Mongolian princes for the Government's acceptance of their autonomous plan and to petition the Government for the early institution of local autonomy in Mongolia. Interviewed by the press, a spokesman of the Mongol delegation denied that Prince Teh, of the Silingol League, and other Mongol notables had repudiated the autonomy agreement signed recently with General Huang Shao-hsiung at Pailingmiao. The spokesman added that conditions in Inner Mongolia were peaceful and expressed the hope that details for the autonomy scheme would soon be worked out by the Government.

The Panchen Lama has decided to leave Suiyuan for Nanking early in January. He is expected to remain in Nanking for two months before proceeding to Chinghai, where he will preach before the Chinghai Lamas.

The *Osaka Mainichi* reported on Dec. 8 that two Mongolian boys, To Mu-la, 12, and Ni To-ru, 11, from Chientien, Inner Mongolia, who were selected as exemplary youths from a boys' organization in Inner Mongolia to study in Japan, arrived in Kobe on Dec. 7 from China. They are to study Japanese discipline and to grasp its elevating spirit, the paper said. They will first attend a primary school in Osaka and remain there until graduating from middle school.

The *Rengo* reported from Harbin, December 18, that the Anti-Soviet uprising in Outer Mongolia is spreading. The Soviet officials at Harbin and the pro-Soviet Mongols there are said to be fleeing to Soviet territory. The chief cause in present disturbances is said to have been due to the unconditional requisition of livestock by the Soviet authorities.

Commenting on the return of General Huang Shao-hsiung from his mission to Inner Mongolia, the *Chung Hua Jih Pao*, Dec. 17 after paying him a tribute for his competent handling of the Mongolian situation, observed that Charhar being now menaced by renewed Japanese aggressions, the Mongolian population should cooperate fully with the Central Government in warding off foreign attacks.

The agitation for self-government in Inner Mongolia, the journal pointed out, is due more to economic than to political reasons. The Mongols, being accustomed to a nomadic life, are dissatisfied with the Chinese who lead an agricultural life and who often look down upon their Mongolian neighbors. The economic and cultural backwardness of the Mongolian population is however largely due to the maladministration of the Lama priests who obtained feudal powers from the Ching Dynasty over 200 years ago. In order to remove the fundamental cause of their weakness, the Mongols should first abolish the system of political and religious subjection imposed on them by the Ching Dynasty."

Dalai Lama Reported Dead, Sikong Dispute Continues

A *Reuter* message from Lhasa, Capital of Tibet, dated Dec. 19, reported that the Dalai Lama, bellicose spiritual ruler of Tibet, died on Dec. 17 at the age of 60. The death of the Tibetan leader has been confirmed by a *Kuo Min* message from London on the same day.

Forcing a concession on the part of the Government over the Sikong issue by threatening armed measures, the Dalai Lama demanded of the Government Dec. 12 the return of Taching Monastery in Sikong to the control of Tibet as well as restoration of all the Tibetan territory occupied by the Sikong troops during the last few years. With the emphasis and force of an ultimatum, he declared that unless the Government complies with the demands immediately, the Tibetans will forthwith start military operations against Sikong. The Government, in spite of the strong demands brought up by him, is still striving to attain a peaceful settlement of the Tibetan situation. However, to prevent any surprise attacks by the Tibetans, the Government has already telegraphed to the military authorities in Szechuen, Sikong, Chinghai and Yunnan to keep close watch over the movement of Tibetan troops.

A telegram from Nanking, Dec. 14 stated that the Government has drawn up definite measures for the settlement of the Sikong-Tibetan dispute. While the exact details of the scheme are not known, it is understood that the tentative measures will include the following three points:—

1.—That the Dalai Lama be instructed to suspend further military operations against Sikong, leaving the disposal of the two monasteries to settlement by the Central Government.

2.—That General Liu Hsiang of Szechuen be instructed to supply General Liu Wen-huei of Sikong with all the necessary arms to enable him to better defend against the Tibetans.

3.—That General Ma Lin, Chairman of Chinghai, be ordered to send more troops to Yushu, in Southern Chinghai, to strengthen the defence there against a northward advance by the Tibetans.

In order to enforce his demands, the Dalai Lama had actually massed a big force of 10,000 strong on the west bank of the Kinsha River, preparatory to launching an attack on Sikong troops on the other side of the River according to official information received at Nanking Dec. 15. The Dalai Lama had further strengthened his force by organizing the lamas of several monasteries into regular Tibetan troops. At the same time he had also sent a strong Tibetan force to the Chinghai border to prevent the Chinghai troops from coming to the rescue of the Sikong defense. However, later reports stated that the tension on the Chinghai border has eased considerably because of the presence of a large contigent of Chinghai troops at Yashu, a strategic point on the border. Further, the Tibetans do not have sufficient troops to assume the offensive on both Sikong and Chinghai fronts.

Urgent messages received at Nanking Dec. 17 from Gen. Ma Lin, Chairman of the Chinhai (Kokonor) Provincial Government, and General Liu Wen-hui, Defence Commissioner for the Szechuan-Sikong Border, reported that the Tibetan forces had broken the Tibetan-Sikong Truce, and resumed attacks on Sikong. At a meeting of the Mongolian and Tibetan Affairs Committee Dec. 16, it was decided to instruct the Dalai Lama to halt all military operations immediately and await a settlement of the trouble by the Central authorities.

In view of the seriousness of the Sikong situation, the Frontier Affairs Section of the General Staff Department held a meeting, Dec. 16, at which reports from Gen. Liu Wen-hui and Gen. Ma Lin regarding the activities of the Tibetans were discussed and resolutions relating to the military phase of the affair were adopted. The meeting was convened by Wang Ching-wei, President of the Executive Yuan and attended by many high Government officials, both military and civil. The meeting decided to instruct Gen. Liu Hsiang, Commander-in-Chief of the Szechuen Bandit Suppression Forces, to supply Gen. Liu Wen-hui with ample military supplies and financial assistance.

According to a report received by the Government, Dec. 17, Tibetan tribesmen who once captured Chungtien, in Yunnan, but were afterwards driven out by Yunnanese troops, are planning another uprising in the border districts to avenge their defeat. They are reported to have received financial support from "certain quarters" and from neighboring tribes. The Yunnan authorities are taking precautionary measures.

The *Sin Wan Pao* Dec. 18 commented: "The Tibetan situation is not so simple as the autonomous movement in Inner Mongolia. Tibet has never accepted orders from the Central Government although the Dalai Lama has a representative in Nanking. There is every indication that some foreign influence is behind the movement. Thus the demarcation demand (demarcation of the boundary line between Sikong and Tibet) is not strictly an internal affair. It may turn out, however, to be the beginning of an independence movement. In order to prevent the Tibetans from breaking away from China, the Government should improve existing relations between the Chinese Government and Tibet. The most important point would be to get back the diplomatic and military power in Tibet and to have officials in that region directly appointed by the Government."

Kiangsi Reds Frustrated in Attempt on Fukien Border

Military despatches report that the Reds at Lichuan, eastern Kiangsi, Dec. 13, attempted to advance towards the Fukien border but were frustrated by the Government troops who laid an ambush in the vicinity of the district. The beaten brigands were forced to retreat towards Tehsingkwan. On the night of Dec. 12, the Government troops at Ihuang, central Kiangsi, likewise scored a victory over the 1st Red Army Corps. To tighten the economic blockade of the various districts, General Chiang Kai-shek, President of the Military Affairs Commission, has appointed 32 supervisors to the various districts of Kiangsi. He has also demarcated the province into eight areas and appointed one officer to each area for the supervision of the erection of fortifications and ramparts.

According to an official bulletin issued by the Provisional Headquarters of the President of the Military Affairs Commission in Nanchang regarding the bandit-suppression campaign in Kiangsi, the Reds after receiving provisions and military supplies from the Fukien revolutionary government, attempted to attack the Government troops on the central route and outflank their right wing. Their assaults were all repulsed by the government troops between Lichuau and Tzuki, eastern Kiangsi, and between Ihuang and Chungjen, central Kiangsi.

The 1st and 2nd Divisions of the 1st Red Army Corps and two other Independent Red Divisions were beaten on Dec. 12 by the 90th Division under General Wu Wei-ju at Ihuang, central Kiangsi, where one bandit divisional commander was killed. The Reds retreated to Sinfeng.

The 2nd Red Army Corps and a part of the 5th and 7th Red Army Corps, after being defeated by the 5th and 8 columns of the Government troops, have retreated to Taining, western Fukien. The 4th Government Division under Lieut.-General Hsing Chen-nan has recaptured Tzuki, a strategic city near the Kiangsi-Fukien border after repulsing the four divisions of the 3rd and 7th Red Army Corps The brigands in that sector withdrew to Kwangtse, western Fukien.

Communists have of late been active on the Chekiang-Kiangsi border, particularly in the districts of Shuanglungin and Shihlung. They are mostly engaged plundering food supplies in the districts named. At Chungan a band of about 1,500 Communists has been plundering and burning in the outskirts of that city.

Alarming reports have reached Canton to the effect that, taking advantage of the situation arising from the Fukien rebellion, the Communist forces in southern Kiangsi are renewing their activities, with the result that the situation at Hsinwu and Sannan has become threatening.

General Chiang Kai-shek has issued a statement in reply to the circular telegrams sent to him from different public organizations, declaring that he will carry on with his anti-Red campaign in Kiangsi. He states that the Fukien uprising will not interfere with the expedition in Kiangsi as the Government has already worked out comprehensive schemes for coping with the Fukien situation.

To accelerate the rehabilitation of territory recovered from the Communist bandits, General Chiang Kai-shek has issued a circular order to the various Provincial and District Authorities concerned calling for the promotion and inauguration of co-operative societies for the benefit of the people. The order also emphasizes the necessity of readjusting the relations between farmers and peasants, improving the lot of tillers of the soil and provision of agricultural implements for those in need of them.

Fifth Route Army Captures Suiting

Units of the 5th Route Army under Generals Wang Ling-chi and Fan Shao-tseng crossed the Chu River end of last week, and launched attacks on the walled cities of Suiting and Hsuanhan, 60 miles north-west of Wanhsien, with the assistance of airplanes.

The Szechuen provincial troops started a general offensive against the Reds on the evening of December 16. The following evening the Communist line at Suiting was broken through and the remnants of the Reds fled into the walled city of Suiting. The provincial forces quickly followed and eventually compelled the Reds to abandon the city, but before their departure they set fire to the city. In the engagement the Szechuen troops lost about 1,000 men killed and wounded, while the loss of the Communists is reported to be twice as many.

India Adopts Firm Attitude in Negotiations with Japanese

The negotiations between India and Japan reached a final stage at New Delhi, Dec. 4, when the Indian delegation gave a detailed reply to the Japanese. It is understood that the Indian Government made slight concessions, but at the same time took a firm attitude, declaring that if Japan does not accept the terms, negotiations will conclude without results. The Japanese delegation intimated that it was necessary to consult with Tokyo. The Indian government, however, prepared for eventualities in the event the Japanese Government found itself unable to accept the final terms.

According to the *Japan Advertiser* of Nov. 30, continuance of the boycott against Indian cotton and the withdrawal of Japanese industrial representatives to the Indo-Japanese conference was the ultimatum of the Japan-Spinners' Federation, the Cotton Goods Traders' Association and the Cotton Traders' association to representatives of the Indian spinning industry who persisted in opposing Japanese ideas on tariff agreement.

A vigorous statement advising the unofficial cotton businessmen's delegates now in Delhi to leave there for home was issued in Osaka, Nov. 29, by the special emergency committee participated in by representatives of the Cotton Mill Owners' Association, the Cotton Piece Goods Exports Association and the Raw Cotton Associations in Oaka.

Later reports stated that the negotiations between leading official representatives of the Indian and Japanese Government were progressing favorably. An agreement was expected to be reached shortly.

Mr. Okada, the leader of the Japanese cotton delegation which is proceeding to Britain to negotiate with the Lancashire cotton leaders, in an interview at The Hague Dec. 15 said that the delegation would approach the Netherlands Government to ascertain what it had to propose regarding Japanese competition in the Netherlands East Indies. He claimed that Japanese competition is fair and that it is of vital interest, in a depressed world, that people should be allowed to buy goods of quality for much lower prices than European industries make them.

Important researches, which it is hoped would lead to a greater use of Indian cotton in Lancashire, are being carried out in Manchester. Experts are seriously investigating the possibilities of adapting machinery for this purpose.

Lunghua Arsenal to Be Converted Into Steel Works

Plans for conversion of the former Lunghua Arsenal in Shanghai into an iron and steel works are being studied by the Ministry of War. With the outbreak of the Sino-Japanese hostilities last year, a large portion of the machinery of the Arsenal was removed from Shanghai to the Nanking and Hanyang Arsenals; the Arsenal and its remaining equipment were placed in charge of a Custody Committee. Later, the Ministry of War contemplated sale of the land occupied by the Arsenal, the proceeds of which were to be earmarked for the expansion of the Nanking and Hanyang Arsenals. The scheme was, however, opposed by the Greater Shanghai Chamber of Commerce, which claimed that the proceeds of any sale should first be used for the repayment of a loan for $800,000 advanced by the Chamber in 1925 for the repatriation of retreating soldiers during the war between Generals Chi Hsieh-yuan and Lu Yung-hsiang, then Tuchun of Kiangsu and Chekiang respectively. The property of the arsenal was given as security for the loan. To promote the development of domestic industries, it is now learnt that the Ministry of War is contemplating the erection of a large iron and steel works on the site of the Arsenal.

Flood Refugees on Hopei-Honan Border in Miserable Condition

There are still 300,000 refugees living along the flooded areas in Huahsien, on the Hopei-Honan border, according to Sung Hsi-shang, member of the Yellow River Flood Relief Commission. Although the Hopei Provincial Government has proposed that these flood victims be transported to safer places, it is greatly handicapped due to lack of funds. The sufferers are in a miserable condition and many have died from prolonged exposure.

Matsuoka Advocates Liquidation of Old Parties

Complete suspension of all factional strife, both political and economic, in the country for the coming five years was advocated by Yosuka Matsuoka, who was chief Japanese delegate to the League of Nations, in his first public speech following his secession from the Seiyukai, made in Tokyo Dec 28. Although advocating the immediate liquidation of exisiting political parties Mr. Matsuoka said he must not be considered as wishing to renounce the parliamentary system of government as he is as ardent a supporter of the constitutional form of government as ever.

Disturbed by criticisms which they claimed have been made by outside parties with a view to causing ill-feeling against them. the Japanese War and Navy Departments issued statements simultaneously Dec. 11 deeply regretting, for the security of the State, that attempts are being made by some people to exploit the budget problem for the purpose of "provoking the antagonism of agricultural communities against the Services." The general public was warned against being misled by such "malicious propaganda."

With the convocation of the 65th session of the Imperial Japanese Diet expected to take place very shortly, the Japanese House of Peers is closely considering its policy towards the Government in the Diet session. Though the majority of the members of the House of Peers are apparently dissatisfied with the slackness of the present Cabinet under Premier Saito in executing the Government's policies it nevertheless will probably support and encourage the Government, for want of better material.

Japan's Trade with Manchukuo and China Continues Favorable

Messages from Tokyo state that Japanese trade with Manchukuo and China continues its favorable trend. According to statistics compiled by the Finance Minister, the approximate trade results with Manchuria and China, including Kwantung Leased Territory and Hongkong respectively, during the month of November last, were as follows: Exports, Yen 38,771,000; Imports, Yen 28,430,000; Total Yen 67,201,000. Excess of Exports, Yen 10,341,000.

Pending the conclusion of the Indo-Japanese trade parleys now in session in New Delhi, the Japanese Foreign Office authorities will hold a joint conference of officials and industrialists to consider measures to overcome the discrimination imposed upon Japanese goods by various countries. The Japanese Foreign Office is reported to be seriously studying the advisability of enacting retaliatory tariff measures. It intends to submit the draft regulations regarding them to the next session of the Diet. The Ministry of Commerce and Industry is also stated to be contemplating to submit the draft of an export and import control act at the coming Diet session.

The Amalgamated Association of Japanese Cotton Weavers Dec. 18 announced that there are signs of a comparativly quick improvement of the qualities of Japanese (export) cotton cloth, from the coarse unfinished to finer and high grade piece goods.

Dr. Von Dirksen, the new German Ambassador to Japan, arrived in Tokyo Dec. 16. In an interview he said the Nazi Government, aimed only at the preservation of the purity of the German race and has nothing to do with persecution of one race or the other. *Rengo* comments: "It must be remembered in this connection that the alleged ostracism of Japanese residents in Germany due to the rise of extreme nationalism has caused a stir in a wide circle of the Japanese public."

Pan-Asiatic Meeting in Tokyo—Proceedings Broadcast by Radio

In speeches delivered by representatives of Asiatic nations including China, India. Persia, Afghanistan, Turkey, Siam. Manchukuo, the Philippines and Mongolia at a mass meeting held in the Hibiya Public Hall in Tokyo Dec. 16 under the auspices of the Japan Young Men's Brotherhood League. emancipation of all Asiatics from Western domination was urged. Prominent among the guests who were invited to attend the meeting were War Minister Araki, Overseas Minister Nagai, Education Minister Hatoyama, Prince Konse, President of the House of Peers, Mr. Asita, Speaker of the House of Representatives. Dr. Miyake and Mr Tsirumi, noted publicists of Tokyo, who read congratulatory messages. The J.O A.K. radio station in Tokyo relayed the day's program.

Some six hundred thousand yen damage was caused to the Engineering College of the Kyoto Imperial University, when its central laboratory perished by fire of unknown origin, Dec. 13.

The Japanese Laborers' Council, which embraces 80 per cent of organized Japanese laborers. has proposed to the Government the establishment of an Industrial Co-operative Society, to be composed of Government representatives. laborers and comsumers' representives. It proposes to invite all the Ministers of State, representatives of Ministries concerned, and capitalists, numbering some 200, to exchange opinions with them on the establishment of the Society.

On suspicion of furnishing money to communistic organs, Jun Tozaka, professor of the Hosei University, and Ryuichi Kaji, a former member of the staff of the Far East Economic Investigation Bureau under Dr. Shumei Okawa, have been summoned by the Metropolitan Police Board.

Student Suicide Asks for Revolutionary Song at Funeral

In a wood at Yoyogi Tokyo, a youth, believed to be a student, was found hanging on a recent Sunday. A note in his pocket asked for a revolutionary song to be sung for his funeral.

Yoshiko, the daughter of Dr. Hajime Kawakami, the elderly Kyoto professor lately sentenced to a long term of imprisonment, was released on her declaration that she had given up Communism. She was rearrested, and after another two months in prison, was liberated again.

Fifteen students have been arrested at Waseda. This is a sequel to the arrest of Kageakira Toyama, who is said to have stolen securities worth Yen 70,000 from his father in order to promote Communism, and the suggestion is that the young men now arrested were distributing literature provided by this fund.

Wife of Bandit Leader Sentenced in Shanghai

Mrs. Ho Lung, wife of a communist chief, and Wong Wen-min, alias Ho Kan-chen, said to be Ho's brother, have each been sentenced to 12 years' imprisonment by the Third Branch of Kiangsu High Court for conspiring to overthrow the Government. Wong Zai-ching, arrested with Mrs. Ho, was sentenced to two years and six months' imprisonment. Mrs. Ho, nee Miss Hsiang Yuen-ku. was arrested here during April by French police on information furnished by Inspector Ma Shao-wu, Nanking secret agent who later met his death at the hands of assassins in Foochow Road.

Another Korean Murdered in the French Concession

Oak Sing-bin, a Korean interpreter in the service of the French Police, was shot dead in the Concession on the evening of Dec. 19 by an unknown assassin. He is the sixth Korean to be murdered in Shanghai within six months. A political motive is suspected. Oak, who was aged about 43 years, was attached to the Special Branch of the French Police Force. On the day of the tragedy he was engaged on translating work, and left the Route Stanislas Chevalier headquarters about 5 p.m., as was his custom. He later went to the house of a friend, at 153 Rue Marcel Tillot. He had scarcely opened the door to leave, shortly afterwards, when a shot rang out. Wounded in the hest, he staggered back and collapsed on the floor. The assassion escaped.

The body was taken to Ste. Marie Hospital pending an inquest. Mr. Oak is a naturalized Chinese and it is understood that the inquest will be held by the Chinese court. This murder followed the murder a short while ago of his elder cousin, K. B. Oak, a local merchant. The deceased was said to be a member of the Korean Independence Party, having served a five-year jail term prior to his return to Shanghai to become an interpreter of the French police. He is survived by his widow and four sons and two daughters. His elder son is studying at Aurora University, French Concession.

House of Commons Examines Lennox Simpson's Claim

Anthony Eden, Under-Secretary of State for Foreign Affairs, stated in the House of Commons Dec. 12 that the claim for compensation of Lennox Simpson, editor and publisher of the *Harbin Herald*, was being examined by the Foreign Office in consultation with the British Legation in China. The claim arose out of an accusation by the Harbin authorities that Mr. Simpson was pro-Communist and anti-Manchukuo in his writings and a demand that he should be deported.

Bright Prospects for New Alliance Between Nanking and Canton

(From the Review's Canton Correspondent)

THE antagonistic attitude displayed by Hu Han-min towards the Nanking Government and the doubtful allegiance of the Kwangsi Government towards the present Fukien secessionist movement have not reduced, in the slightest, the bright prospect of the new alliance between the Nanking and Canton governments in the face of one of China's worst serious civil strifes. Despite the numerous assurances by the Fukien and Nineteenth Route Army commanders that the movement at Foochow is undertaken for the sake of overthrowing Nanking's military powers, the suspicion by the Government in Canton is that under the surface of the Foochow allegations the real motive of the Nineteenth Route Army is to attack Kwangtung, when the opportune moment comes for such a big movement.

According to the best of political authority here the Foochow Government is only waiting for time, which may be for military support from North China, as optimistically foreshadowed by the Foochow regime or for financial supports. The visit of Chang Chi and other members of the Nanking peace delegation to Canton is the topic of general discussion both in Canton and Hongkong. General Chen Chi-tang, the strong man of the South-West, whose secret understanding with General Chiang Kai-shek, has been chiefly responsible for the preservation of peace in this part of the country for the last three years, is undoubtedly wholeheartedly in favor of a Nanking-Canton alliance against the opponents of the Kuomintang and National Government.

In this respect there is every reason to hope that the Nanking peace delegation under Chang Chi will leave Canton soon with the Southern Government and the South-west Political Council's assurances of Canton's allegiance. The delegation has still to visit Nanning, capital of Kwangsi, to obtain the opinion of Kwangsi's two prominent commanders, Generals Li Tsung-jen and Bei Tsung-hsi. Kwangsi's consent of non-participation in Fukien not to say co-operation with Nanking should immediately restore the Canton populace's apprehension of a Fukien invasion. It is obvious that Fukien alone is not in any position to match against Canton's army, navy and air forces, which are in every respect much superior than Fukien's meagre military forces. Even admitting that the Nineteenth Route Army fought gallantly in Shanghai in early 1932, the greater portion of these Cantonese soldiers in the 19th Route Army were either killed or invalided during the Sino-Japanese war, and the present 40,000 men, comprising the new recruits from Kwangtung districts or bandits surrendered to General Tsai Ting-kai during his bandit suppression campaign in southern and western Fukien at recent dates.

Although the Foochow officials have issued many emphatic denials of Communist association with the new Fukien government, it is learned from the most reliable connexions in Fukien that some of the leaders in the government are notorious Reds. If these leaders are not Reds they were at least active paricipants of the radical Kuomintang Government in Hankow in 1927. To name a few, it is an undisguised factor that even some of the nationally proscribed army and Kuomintang leaders—suspected as being Communists in the anti-Communist drive in the South in 1927—have been admitted to the highest posts in Foochow.

For instance, the new Foochow Police Commissioner, Yau Kuo-chen, at one time close associate of the notorious East River Red leader, Pang Pai, is wielding considerable political influence in his own hands at Foochow. Yau Kuo-chen's extremist following is centred at the Haifeng and Lukfeng districts on the East River near Canton and it is possibly due to this favorable factor that he and his Red subordinates are given such important police works in Fukien. A friend of the writer writes from Foochow saying that hundreds of the job-hunters now residing at the Foochow hotels and boarding houses hoping to get a government post through their influencial friends in the government are found to be native of the East River and not a few of them are friends of Yau Kuo-chen.

Next to Yau Kuo-chen in power comes General Huang Ki-cheung, the extremist Ironside commander, who was responsible for the 1927 Ironside coup d'etat in Canton and later ousted by Chen Chi-tang from Canton in December 1927 after the Communist uprising. Huang Ki-cheung is destined to play an important role in the fighting between Fukien and Nanking or Canton as the case may be in the nearest future. Huang Ki-cheung and Chang Bei-chun, another Kuomintang extremist politican now at Foochow, are better known as the staunch supporters of the so-called Third Party of the Kuomintang. Both extremists are included in the Foochow administration through the introduction and advices of Chen Ming-shu. These members of the Third Party and George Hsu Chien, because af their Communist leanings, will in time find great difficulty in securing harmony of action and speech to work with the capitalistic and conservative Li Chi-shen and Chen Ming-shu. In the midst of this strange mix-up of extremists and conservatives have come also some of the members of the Chi-Kung Tang, a party founded by the late General Chen Kwing-ming, who was Dr. Sun Yat-sen's chief political opponent in Canton between 1922-1924. Chi Kung Tang is proscribed by the Kuomintang, but how Chen Ming-shu and Li Chi-shen got associated with these strange political advocates must be a puzzle to many observers. From what is gathered in the South the Chi Kung Tang had voluntarily offered some strong financial support for the Fukien administration and it may be due to this reason alone, that they also find positions with the Fukien regime. As the Chi Kung Tang had long ago discarded the National Government ensign, they must have exercised considerable persuasion in the bold suggestion of the Fukien's Government abolition of the National ensign and adontion of the present Fukien flag. Had Chen Kwing-ming not died so unexpectedly he might even have become a member of the Fukien Government and perhaps a Chairman of one of the highest government councils.

Outside the Chi Kung Tang influence, the new government has admitted such an old school administrator as Sah Chen-ping, who has been appointed a civil governor in a section of Fukien. (There are four civil governors appointed in the four different parts of Fukien.) Sah Chen-ping was a member of the Manchu Government for many years. He was appointed in 1909 to reoganise the Manchu Imperial Government Navy and in 1912 he commanded the Manchu Navy in the war against the Kuomintang revolutionists under Sun Yat-sen. Apart from the holders of the more important posts we find that some writers of Shanghai and magazine contributors know for their radical thoughts such men as Wang Lei-shih and Pang Tseh-shang are now holding good positions with the Fukien government. Pang Tseh-shang has been suspected as being a Communist author and what he does in his new work as the Chief Secretary of the Fukien Government Council is also worth while watching.

By the way Pang Tseh-shang, it will be recalled, was an official under the extremist government at Hankow in 1927. With members of so many different political schools included is it any wonder that when the Government assembled for one of its first sessions last week for the drafting of the ordinances governing the organisation of the Government departments there was a hot dispute among members of the different factions. But for the rigid suppression of the news by the Foochow government newspaper censors the outside world would have been given a most interesting debate between conservatives and extremists. Even at this early stage of the independence movement, with so many obvious obstacles ahead, there is known to be a strong under-current of discontent among some subordinates mainly minor army officers etc. against the anti-Communist policy of the Chairman of the Government, Li Chi-shen.

Fukien's Finances

The observers' bewilderment over the financial strength of the Fukien government at the commencement of their independence movement has now been, more or less, clarified, when it is understood that apart from the

(Continued on page 160)

Do We Want More Political Troubles?

R. F. WEI (魏悲露)

THE new government of Fukien province has just given an account of its intentions to better economic conditions and raise the educational standard at the same time. In spite of all threats from the side of the Nanking Government there is no sign as yet that the new Government will collapse, although there were rumors to that effect. But since foreign powers do not choose to interfere, and since the Nanking Government is busy enough waging war on the red forces, we should not be surprised, if the People's Government would hold its ground.

The situation in the north is not at all rosy. In Mongolia another independence movement is trying to gain force; Japanese pressure is never lessening—not a very bright prospect to be dealt with. For a close observer it is not sufficient to state facts. Nowadays it is time to enquire as to the fundamental causes of the continual upheavals and independence movements in different parts of China. One cause is certainly foreign influence either economically or politically, or both intertwisted. But we cannot assume that such influence would be effective, if there were not deep-rooted feelings on the side of the Chinese ready for insinuations leading to rebellions, civil war or whatever the name of those upheavals may be.

We need not investigate very far to find the very reason for China's political unsteadiness and instability: it is the most mierable economic condition of a large part of the population, and the low cultural standard resulting therefrom. An illiterate is not to be expected to see clearly the aims of a political group inviting his partisanship, he is therefore easily led to join any party that is promising betterment of his poor state. On the other hand, we cannot expect any man to care much for school-education, as long as he cannot find sufficient food to still his hunger. It is true, there are some efforts taken to help the poor, but what are those petty trials compared with the vast mass of problems facing anyone who wants to cure the evil at the root? And as danger from inside and outside is imminent, it is not time to trifle with those questions. Especially the philanthropic attitude of the public is to be blamed for the fact so little has been done for the assuagement of miserable conditions. We have to realise after all that each of us has the responsibility for his fellow-human beings, that we cannot let them toil without giving them any support of a more superior kind: support of education to make them participate in the world's affairs with a clear notion as to the real value of things. The world war has brought about a new phase of world creation, as all the races, nations and classes have been awakened to conscious existence. We have to face this fact, and we cannot therefore deny people their rights; if we do, as it is still done, then we endanger our system wantonly, for we cannot expect the hungry masses to be satisfied with what they get for ever and ever. By neglecting their demands we undermine our own roots and we drive the desperate people into the enemy's camp. There is only one way out of the urgent need of the hour: the authorities must take care of their citizens irrespective of personal or selfish inclinations. They must take the wind out of the sails of inimical influences by effective means to carry out the betterment of social conditions. Then the political balance of China will immediately be restored in interior affairs, then China will also be able to display some strength outwardly, for the people will gladly unite under the banner of a government that is going in for real public welfare. Modern times have taught us the old truth that economic conditions are the roots of higher standard of culture and civilization. If people get a living, they will soon learn to demand some education as well.

Three institutions demand the quickest remedy: child labor, contract labor and ricshaw-pulling labor. It is not the work of missions nor small philanthropic committees to give the poor a Christmas treat or shelter, as such enterprises will never be able to give effective help to all who need it. It is the duty of the authorities to take some drastic measures instead of submitting the questions to various committees.

The first social evil is child labor. How could a nation be strong, if its people's strength is wasted away during childhood? Child labor is the result of low pay of the family's father. Thus we come to the second evil, contract labor, in which a middle-man gets his money from sweating the laborers. It should be possible to abolish these long-established practices by governmental authority. In Europe people have to allow the inspection of financial transactions by government authorities—why should it be impossible for the Chinese Government to deal with a problem that affects a large part of the population vitally?

If we come to think of the ricshamen's lot, there is all the more necessity for city government interference. How can China afford 3 per cent of her largest city's population to live on an animal's profession, or better say starve on it? How is it possible that one man can sweat his wealth out of hungry people who have no clothing or shelter? If it is not possible to force the business out of the hands of such an inhuman human being, then at least he must be forced to lower his charges for ricshaw hire. In the same way factory-owners should be forced to pay higher wages or to employ more laborers, instead of apprentices who get 4 cents a day. Factory-proprietors should furthermore be forced to secure proper housing for their workers, instead of crowding 144 of them into a badly lit and ventilated hall of about 30 feet length and 20 feet breadth. Contractors must be forced to pay wages to the workers as the firm pays them. And, first of all, they should be forbidden to do their shameful business of "contracting" workers out of their villages.

It is a hard task to handle, to attack the wealth and income of many influential contractors and their like. But this task must soon be undertaken, lest some more political trouble may arise among dissatisfied workers. And besides, there are many other people than workers alone who disapprove of the methods of contract labor and rischaw-pulling as an inhuman usage that should as quickly as possible be put out-of-date. Human labor is cheap in China; but is this not a shame to the old culture of this country?

Besides the ethical point of view, there is also the economic, political, and last but not least, the hygienic side of the question to be considered. Rischas are a nuisance in modern traffic; the men should be given another kind of work; in beginning to build the new civic centre as soon as possible there will be need for many thousands of hands. We certainly cannot forbid rischas to run as long as their pullers have no other means of income. But in the way of giving them work in building roads, houses etc. a considerable number would be taken out of their present miserable job. The others would have to be given a more reasonable living. If the city government would run the rischas and forbid any private enterprise to come in again, then there would be another possibility of giving the poorest of the poor a better means of existence. And if these men had a better lot, then their children would not be obliged to work in unhealthy places where their life is in constant danger by machines or by diseases. Diseases would furthermore diminish in extent as well as in effect, and a happier people of China could face a life of conscious work to the nation's welfare.

This proposition is not an utopia; it only requires the courage of the authorities to attack an intolerable state of misery by properly planned and effective means. We just have to think of the political consequences of such a radical cure of an old evil: a population with means of existence able to get some education in school is the strongest pledge for a strong China in the future. And if there are still people who even nowadays do not realise their duty towards other human beings, then I should like to take them to some factory or just to a small shop where children are toiling in the most unhealthy circumstances and I would ask them: Would you take things as lightly, if your own children were concerned? It is only the lack of imagination which leads people to the idea that a barefooted rischawpuller is happy while running about in wind and snow and heat. But in these times of a chaotic world we have to consider social conditions most of all, and therefore all those who claim to have good-will must join in the endeavor to bring about an improvement of the livelihood of millions of patient, industrious laborers in the vast area of China.

Shanghai, Dec. 18, 1933.

Outlook of the Impending War Between Soviet Russia and Japan

BY CHEN PIN-HO (陳彬龢)

(Author's note:—When a Chinese observer tries to forecast the possible outcome of an impending war between Soviet Russia and Japan, it usually gives rise to misunderstanding on the part of Japanese readers in particular, that his views are prejudiced. The author of the present article has exercised every precaution against taking sides with either of the two parties. As a Chinese national, he is concerned only with the danger that China will be an unfortunate sufferer and, probably, be dragged into the whirpool of war also. Before proceeding with the questions as to whether the war is unavoidable; when the first shot will be fired; and which country will be the ultimate victor,—the author wishes to point out that his statements are based upon nothing but facts and that extreme care is taken in selecting pertinent data for this work.)

1.—SOVIET-JAPANESE RELATIONS SINCE SEPTEMBER 18, 1931:

(a)—*Tension in the Soviet Japanese Situation:*

The "volcano" of Far East finally erupted at Mukden on the fatal night of September 18, 1931. The Japanese army occupied, without much fighting and in short time, all of the important cities and towns in Liaoning and Kirin Provinces, and marched forth into North Manchuria to seek further aggrandizement.

The Japanese found the conquest of South Manchuria an easy task, as their influence in this region had already been spread prior to the precipitated event. By advancing on North Manchuria, however, they at once came into conflict with interests of the Soviet Union. Perhaps too much occupied with the execution of the so-called Five Year Plan, the Soviet authorities were uncertain as to whether the Japanese forces would take advantage of the opportunity to grab the Chinese Eastern Railway, their vital interest in North Manchuria, and further invade Soviet territory. Simultaneously, Japan was also speculative as to whether Soviet Russia would resist the invasion of a foreign army in order to protect Soviet interests. Under the situation of uncertainly, both countries carefully guarded their steps against each other.

When General Ma Chan-shan, hero of the Nonni River War, offered strong resistance to the Japanese forces invading Heilungkiang, Japan suspected Soviet Russia as having assisted the Chinese leader. On October 28, 1931, the Japanese ambassador (K. Hirota) filed a protest with the Soviet government, alleging that prior to General Ma Chan-shan's famous march on the Nonni River from his base at Heiho, he had a conference with Soviet officers arrived from Blagoveshchensk; that Soviet officers participated in the operations against Japanese forces; and that Soviet supplies were rushed to the support of General Ma's forces. It was also stated that "according to the declaration of General Ma Chan-shan, about twenty or thirty thousand men of the Red Russian army have been concentrated upon the Chinese-Soviet border, together with six or seven hundred cars of supplies, in readiness to proceed to Manchuria". The protest concluded that "if these are proved, it will inevitably lead to grave consequences. Japan will adopt necessary measures for the protection of her citiens and the Taonan-Angangchi Railway constructed by Japanese capital".

Upon receipt of the protest, Mr. Karakhan, Assistant People's Commissar for Foreign Affairs was irritated by the groundless allegations contained in the Japanese message. In reply, he retorted that General Ma Chan-shan's forces were neither assisted by Soviet officers nor in any other way helped by the Soviet authorities. "The Soviet government has not considered any plan of sending troops to the territory of a friendly Power," he declared, "in view of its policy of strict neutrality and in respecting the sovereignity and integrity of China by virtue of treaty provisions."

During the early part of November 1931, General Ma Chan-shan staged strong counter-attacks upon the Japanese army in the Nonni River district. The continued activities of Japanese forces in North Manchuria constituted a serious menace to the Chinese Eastern Railway. Should this railway line be cut by the Japanese, it would not only entail losses to Soviet interests but also interrupt communications between Siberia and Vladivostok. Thereupon, the Soviet government brought a strong protest against Japan urging the Japanese authorities to fulfill Ambassador Hirota's pledge that Japan would refrai. from destroying the Chinese Eastern Railway or intervening with Soviet interests. The Soviet protest also commented upon the Japanese propaganda aimed at undermining Soviet prestige.

However, the occupation of North Manchuria was a premediated plan of the Japanese. On November 18th, the Japanese replied that (1) the Soviet government should assume the same attitude of neutrality as adopted by the Japanese during the Sino-Soviet hostilities of 1929; (2) the Chinese Eastern Railway should not be allowed for the use by Chinese forces for military transportation; and (3) Japan would endeavor to protect the Chinese Eastern Railway only when it was proved that the Chinese forces were not using the line. "If any unfortunate situation happen concerning the railway," the Japanese authorities argued, "the responsibility would rest upon the Chinese army as well as the railway officials who allowed the Chinese military forces to use the line".

On the very day when the above reply was delivered, the Japanese troops destroyed the Angangchi section of the Chinese Eastern Railway. The next day, November 19th, Tsitsihar (a city on the railway) was also captured by the Japanese forces.

In response to the Japanese maneuvers, the Soviet authorities issued the following declaration:—

".....The present situation is not in keeping with the Sino-Soviet complications of 1929. The Red army, which advanced on Chinese territory to protect Soviet interests, did nothing to overthrow the local government or establish a foreign regime; neither did it destroy any of the Japanese interests in Manchuria. As soon as the situation concerning the Chinese Eastern Railway returned to normal conditions, the Red army withdrew to Russian territory without making any demands on account of military advantages.

"The Chinese Eastern Railway is different in nature from the South Manchurian Railway, in that it has been a joint undertaking between China and the Soviet Union. It has been subjected to the protection of Chinese military and police forces. Thus, the Soviet authorities could do nothing to prevent the Chinese forces from using the line for military transportation. In view of the grave situation at present, the Soviet government has, nevertheless, instructed the Soviet officials of the Chinese Eastern Railway to try to prevent any military transportation connected with war activities.

"The situation as been aggravated by Japan in contravention of her repeated declarations to the contrary, and it has increased the possibilities of curtailing Soviet interests, causing great uneasiness to the Soviet government....." ("Izvestia"—Moscow, Nov. 21, 1933).

Following occupation of Tsitsihar on November 19th, the Japanese authorities notified the Soviet government of the "unavoidable" situation which necessitated their penetrating through the railway zone and pledged to withdraw from the area as soon as the new commander of Chinese railway patrols arrived.

Although the Japanese forces did not withdraw from Tsitsihar as promised and no protection was afforded to the safety of the Chinese Eastern Railway, military operations ceased. The Soviet Union was contented, temporarily at least, with the prospect that Japan would not invade Soviet territory immediately. The tension in the Soviet-Japanese situation subsided accordingly.

(b) *Proposals to Conclude Non-aggression Pact and to Sell C. E. Railway*

In order to carry out the Soviet government's "pacification" policy, so as to avoid outbreak of war, Maxim Litvinov, People's Commissar for Foreign Affairs, proposed, on December 31, 1931, to Kenkichi Yoshizawa, Japanese ambassador to France, who arrived in Moscow en route to Tokyo to take up his new post as Foreign Minister, that a treaty of non-

aggression be concluded between Japan and the Soviet Union. On January 2, 1932, Mr. Troyanovsky, Soviet ambassador in Tokyo, called upon Premier Inukai and inquired as to the latter's opinion regarding the proposed pact of non-aggression.

The Japanese authorities cleverly declined the proposal under the pretext that "(1) no political dangers exist in the Soviet-Japanese situation at present; (2) Japan has no desire to encroach upon Soviet territory and interest; and (3) since both countries are signatories to the Kellogg-Briand Anti-War Pact, it is not necessary for them to conclude a separate pact of non-aggression." Evidently, these excuses were nothing but procrastinations. Aren't China and Japan both signatories to the Anti-War Pact? Yet, Japan waged war upon China in direct contravention to the peace agreements.

In so far as ascertainable, the Japanese refusal to conclude the proposed non-aggression pact with Soviet Russia was based upon the following principal reasons:—

(1) Japan found that such a pact would tend to limit her activities in Manchuria,—which was considered unwise unless and until the execution of Japan's continental policy should be completed and her control of Manchuria stabilized.

(2) With the guarantee of a non-aggression pact, Soviet Russia would be enabled to devote her attention to her socialist reconstruction and industrialization of Siberia. Eventually, this would prove fatal to the interests of Japan.

(3) Before the questions of fishing and oil rights and other economic privileges were solved, the conclusion of such a pact would serve to deprive Japan of the means of highhanded diplomacy.

The "Izvestia," official organ of the Soviet government, carried the following editorial in connection with the proposed pact of non-aggression:—

> "... ... We shall not lay too much stress upon such a pact. But, apparently, it is a guarantee against war preparations, and will prove to be a means of peaceful settlement of international complications... ... ... If Japan should reject the proposal of the Soviet government, it shows that she will invade us and does not want to bind herself to such an agreement." (The passage quoted is reproduced in the "Soviet Affairs"—Japanese edition, of March 1932, pp 13.)

As soon as the puppet regime—Manchukuo—was set up through Japanese connivance in Manchuria, Japan endeavored again to grab the Chinese Eastern Railway through this tool. By then, the Chinese government lost all control of the Three Eastern Provinces (Manchuria), and the *de facto* authority of this region has fallen into the hands of the Japanese. Should the Soviet Union approach the question with a strong hand, it would only lead to open hostilities with Japan. To avoid such a rupture, the Soviet authorities found it necessary to make concessions and adopt a policy of toleration.

That Japan has decided to capture the Chinese Eastern Railway is clearly stated in the so-called Tanaka Memorial regarding a "positive policy" toward Manchuria and Mongolia, as follows:—

> "... ... As Vladivostok is their (Soviet Russia) only seaport in the Far East, they cannot give up the Chinese Eastern Railway without losing also their foothold on the Pacific... ... If Soviet Russia's Chinese Eastern Railway should spread across this field, our new continental policy is bound to receive a setback which will result in an inevitable conflict with Soviet Russia in the near future. In that event we shall enact once more our part in the Russo-Japanese War. The Chinese Eastern Railway will become ours as the South Manchuria Railway did last time, and we shall seize Kirin as we once did Dairen. That we should draw swords with Russia again in the fields of Manchuria and Mongolia in order to gain the wealth of North Manchuria seems a necessary step in our program of national aggrandisement. Until this hidden rock is blown up our ship can have no smooth sailing... ... ..."

From the Japanese secret documents instigating the puppet Manchukuo to seize the Chinese Eastern Railway, published on October 9, 1933 by the Soviet government, it is also evident that Japan has been carefully hatching a plot for the confiscation of the railway.

In view of Japan's decision to capture the Chinese Eastern Railway, the Soviet government finally proposed to sell the line to the Japanese. The Soviet-"Manchukuo" —Japanese negotiations regarding the Chinese Eastern Railway took place at Tokyo on June 26, 1933 and lasted in six regular meetings and five informal meetings. Eventually, it came to a deadlock, as the conference could accomplish nothing. The chief reasons for the suspension of the negotiations were (1) that Japan and "Manchukuo" tried to secure a most advantageous bargain, while (2) on the other hand, the Soviet Union was only stalling in anticipation of a new turn in the situation.

In general, the Soviet Union tried its utmost to avoid war because of the progress of its socialist reconstruction. The consensus of opinion among Japanese toward this question is shown by the following excerpts from the article, "Soviet Russia's Far East Policy," by T. Akimori, appearing in the "Keizai-Orai" of November 1933:—

> "During the interval of two years following the outbreak of Manchurian situation, Soviet Russia has conceded and compromised on the questions of Sakhalin oil and fishing rights... ... These concessions are not in line with the Soviet policy, but represent merely an endeavor to avoid war. Soviet Russia is doing her best to prevent such a conflict at minimum sacrifices."

(c) *New Turn in Situation*:

From the preceding it is noted that the Soviet-Japanese situation was marked by a tension during the period from the uprising of September 18, 1931 to Japanese occupation of North Manchuria, followed by a lull upon establishment of the "Manchukuo" and subsequent negotiations concerning the Chinese Eastern Railway. In this connection, it is to be questioned why Japan did not seize the Chinese Eastern Railway as soon as Manchuria was occupied, and further invade the Far Eastern frontier of the U.S.S.R. in order to carry out her so-called continental policy. The answer is plain. Firstly, Japan captured a great expanse of land—Manchuria—in a very short time. It would take her some years to consolidate the control of newly acquired territory. The Volunteer Armies under Generals Ma Chan-shan, Ting Chou, Li Tu, Soo Ping-wen and others gave the Japanese a strong blow. Should Japan come into open conflict with the Soviet Union, the menace to the rear of the Japanese forces would serve to upset all of their calculations. Japan tried to maintain a friendly attitude towards the Soviet Union in order to avoid an immediate conflict, so that she might devote her whole attention in eradicating the military hindrance in Manchuria.

Secondly, Japan was not satisfied with the occupation of the Three Eastern Provinces—Liaoning, Kirin and Heilungkiang. She invaded Jehol, and declared that the boundary of the so-called "Manchukuo" should be bordered upon the Great Wall. Further, she endeavored to set up a neutral zone in the Luantung area and concluded the Tangku Agreement with the Chinese authorities in order to insure safety to the rear of the Japanese forces in the event of war with the U.S.S.R.

Thirdly, following occupation of Manchuria, Japan would need considerable time to complete military preparations, such as construction of barricks, landing fields, and arsenals, as well as to establish the main artery of communications.

Lastly, opinions among Japanese leaders were divergent—particularly between the military clique, political parties and financial heads, and there was no unified national policy on the part of the Japanese government.

Meanwhile, from the Soviet angle of the situation, it is noted that: (1) At the beginning of the Manchurian situation, the Soviet government was occupied with the movement of socialist reconstruction and its defence at the Far Eastern frontiers was weak. In order to prevent heavy losses in the event of an immediate war, the Soviet leaders were anxious to pacify the Japanese-Soviet relations; (2) the Soviet Union was then seeking to arrive at non-aggression pacts with its neighboring Powers in the West, in order to safeguard the western frontiers; and (3) The first Five Year Plan was not fully executed—particularly that the production of military necessities was not sufficient. After the September 18th affair in Manchuria, the Soviet have converted a number of factories involved in the Five Year Plan into munition works. It took some time for her to place them on a war time basis.

For the above reasons, both Japan and Soviet Russia have been awaiting the arrival of their opportunities; which explains the vicissitudes in the situation.

(To be continued)

Rural Bankruptcy in China

BY C. Y. W. MENG (孟昭永)

CHINA today is actually facing a crisis which for the lack of a more appropriate name might be called "economic suicide." Both in the industrial and commercial fields, we see unmistakable signs of adversity with the result that the people are subjected to great suffering and hardship. China has been traditionally an agricultural country. 85% of her population are farmers, but she has to depend on the importation of foreign foodstuffs to feed her people. The farmers, who constitute three-fourths of her total population—the backbone of China—are now in the most miserable condition. If the observers would only pay a visit to places like Shanghai, in China, they would think that China is a rich country, and the Chinese people are rich people, when they see the Chinese are well dressed and live a luxurious life. But if they would go to the interior of China, the rural districts, they would be convinced that China is a very poor country and the Chinese people are poverty-stricken and miserable, particularly the farming population.

Realizing the seriousness of the situation, the Executive Yuan ordered a Rural Rehabilitation Committee (R.R.C.) to be organized to undertake the rehabilitation works in the rural districts. However, before remedial measures can be devised, we must find out first of all the causes of the bankruptcy, and unless these causes are removed, no remedial measures can save the situation.

Internal Chaotic Conditions

Undoubtedly, the first cause is due to internal chaotic conditions. Since the founding of the Republic, internecine civil wars have been going on almost uninterruptedly. The figures which follow show the number of engagements in the respecsive years.

1912, 1; 1913, 6; 1914. 0; 1915, 0; 1916, 9; 1917, 5; 1918, 9; 1919, 2; 1920, 7; 1921, 7; 1922, 10; 1923, 6; 1924, 8; 1925, 13; 1926, 15; 1927, 14; 1928, 16; 1929, 14; 1930, 10.

(The above figures are from Japanese sources.)

The following figures show the number of hsiens in different provinces devastated by warfare in the aboved mentioned civil wars:

Hielungkiang, 2; Kirin, 3; Liaoling, 59; Jehol, 2; Charhar, 16; Suiyuan, 17; Ninghsia, (no information); Sinkiang (Chinese Turkestan) no information; Chinghai, 7; Kansu, 58; Shansi, 73; Shensi, 105; Honan, 105; Hopei, 130; Shantung, 77; Kiangsu, 7; Chekiang, 6; Anhwei, 17; Kiangsi, 111; Hupei, 10; Hunan, 14; Szechuen, 43; Sikong, 2; Yunnan, 1; Kweichow, 9; Kwangsi, 15; Kwangtung, 13; Fukien, 32.

It will he noted that there have been 150 instances of civil warfare in China during these 21 years of existence, and out of 1941 hsiens in 28 provinces, 851 suffered greatly from the civil wars! These civil warfares not only brought about huge destruction of properties, losses of human lives at the mouths of merciless cannons, increased the business depression throughout the whole country, etc., but also imposed heavy tax burdens on the farmers, whose plight is already pitiful enough; for, after all, it is the farmers who pay the bills for the militarists. This is always the case where warfare is frequent. Japan is now waging an "undeclared war" against China, but it is not the Japanese capitalists nor any other people, but the Japanese formers who pay the bills for the Japanese militarist!

Exorbitant Taxes

There is one Chinese proverb saying that "Stars in the Heaven are countless; Taxes in China are numerous" (數不清天上的繁星，說不盡中國的捐稅). In Kwangtung province alone, according to the Report of the Second Congress of Farmers' Delegates in Kwangtung Province held in 1926, there are about 60 kinds of taxes enforced by the authorities. In Hopei Province, the rates of taxes in 1928 were increased by 53% as compared with 1912; in Shantung Province, increased by 47%; in Kiangsu Province, increased by 36%; in Chekiang Province, increased by 20%. In some places, the official tax for each mow of land is only 30 cents while the "surtax" (extra) amounts to $1.30 In Szechuen Province the taxes for "1997" have already been collected!

Importation of Foreign Foodstuffs

As stated above, China is an agricultural country, and 85% of her population are farming people. Theoretically, China should not only produce enough foodstuffs to feed her own people, but should also produce foodstuffs to feed other people. But this is not the case, as the following table will show the enormous importation of foreign foodstuffs to China annually:

Year	*Rice*	*Wheat*	*Flour*
	(In H.K. Taels)		
1927	107,323,244	7,055.667	21,306,338
1928	65,039.232	3.338,886	31,464,402
1929	58,039.232	21,430,785	62,902,863
1930	121,234,193	12,830,690	30,345 716
1931	64,375,851	87.639,901	28.618,213
1932	119,920,249	65,682,366	36,371,692

For the present year, from January to July, we know the importation of foodstuffs to China is already valued at H K. $75,495,780. If to this be added the cotton and wheat purchased from America under the Sino-American Cotton and Wheat Loan, the total value at the end of this year will be to the neighborhood of $200,000.000. That is to say, China, though an agricultural country, has to ship out her silver to foreign countries in exchange for foodstuffs. This is not only a drainage of national revenues, but it has quite adverse effects upon the economic conditions of the Chinese masses.

There are many reasons for this abnormal situation, and we may state briefly some of them:

(1) China has never imposed any import duties on foreign foodstuffs. There are also several reasons for this. When such duties are imposed, they have to be enforced at all places in China. Due to poor means of communications within the country, rice from the rice-districts could not be easily transported to distant places. Due to high taxes, the price of rice reaching there will be higher than imported rice. Kwangtung, for example, is not a rice-district. Due to poor transportation facilities, rice in Hunan could hardly reach Kwangtung, so it has been the practice in Kwangtung to buy imported rice, and once Kwangtung opposed quite bitterly the imposition of duties contemplated by Nanking. If import duties are imposed on imported rice, it will result in increasing the hardships of the people in the places like Kwangtung.

(2) Due to heavy taxes (which cause the farmers to gain nothing in the end), economic distress (which makes the farmers unable to buy necessary seeds, implements, etc), natural calamities and the suffering from the civil wars, farmers prefer to quit their fields and come to the city to be ricsha pullers or maidservants, rather than to take up plows to till their soil, and as a result, the acreage of uncultivated land is rapidly increased, and the production of agricultural products is greatly decraased.

Usurious Interest

The Chinese banks never open any financial facilities in the rural districts. When the harvests are bad, the farmers suffer. When the harvests are good, they suffer just as well, the reason being that when there are no financial facilities opened to the farmers, they can not borrow any needed money by pledging the rice, cotton or wheat as security; and the farmers have to quickly dispose of the products in exchange for cash by selling the products to rice shops at low prices. The rice shops may keep the rice and sell it when the price of rice is raised. That is to say, the profits of the good harvest always go to the rice-shops, but not to farmers. In case of economic distress, the only way open for the farmers is to borrow money from friends or relatives by paying usurious interest. According to an investigation of the conditions of farmers in Chekiang, conducted by the International Famine Relief Society, the lowest rate of interest in the rural districts is 12% monthly; the ordinary rates are 24-36%; and the highest is 60-70%. In Kwangtung Province, the interest is 100%. That is, if the farmers borrow $1, they have to pay a monthly interest of $1. There are a hundred kinds of interest, of various names, in force in different places in China; and all these work to kill the farmers financially. The most strange thing to relate is that there has been no express order from the authorities for the total suppression of these customary but evil practices!

Natural Calamities

It is not necessary for us to describe the devastation which has been caused by flood, drought, etc., in China. The following table will show the increase in numbers of refugees (farmers) from 1927 to 1931.

Years	*Number of Refugees*
1927	9,000,000
1928	34.000,000
1929	54,000 000
1830	30,000,000
1931	80,000,000

In 1931, 16 provinces were flooded, covering about 400,000 square miles. Kiangsu, Anhwei, Hupei, Hunan, Kiangsi, Chekiang, Shantung, Honan are the worst sufferers. According to the investigations, out of 642 hsiens in 3 provinces, 271 (about 42%) were flooded, destroying cotton, wheat, rice and other agricultural products, to a value of $450,000,000.

In 1932, we find 385 hsiens in Shansi, Honan, Anhwei, Kiangsi, Kansu, Chinghai, Hopei, Shansi, Hunan, Shangtung and Kwangtung were suffering from flood, drought, locuts and other natural calamities. During the present year, 364 hsiens in Hunan, Hupei, Kiangsi, Shansi, Honan, Kansu, Anhwei, Fukien, Chekiang and Szechuen, Kwangtung, Chinghai, Kiangsu, Shantung, Shansi, Hopei, Suiyuan are suffering from the same.

In 1931, the National Government purchased 45 tons of American wheat to aid the farmers in flooded districts. But the losses of rice, wheat, cotton, and others to the Chinese farmers amount to no less than 500 tons. The American wheat (only about 7.2%) can hardly meet the demands.

An Evil System

There are generally three systems governing the relationship between the land-owners and the tenant-farmers in China, namely "Pao (guarantee) Chu (rental) System," (包租制度), "Feng (Division) Chu (Rental) System," (分租制度), and "Yi (Agreement) Chu (Rental) System," (議租制度).

(1) By Pao Chu System, is meant that the tenant farmers must pay to the land-owners so many "tans" (担) of rice, wheat and cotton, etc., to the land-owners as rental, irrespective of whether the harvest is good or bad. This system is in two forms; namely, "Payment of the Rental by Agricultural Products" (谷產交租). and "Payment by Cash" (貨幣交租). Under the former system, for four mow of land the tenant farmers have to pay "one tan (担)" of cotton, bean-soy, wheat, etc. as the annual rental. Should they fail to pay up, they have to make up by paying cash equivalent in value to the amount of rice, cotton, wheat, bean-soy, etc. which they have failed to pay Under the latter system, the tenant farmers may pay the rental by cash. There is no definite rate of payment. It ranges from $1 to $14 for each mow of land, according to the customs prevailing in different places.

(2) By Feng Chu System is meant that the land-owners and the tenant-farmers divide the agricultural products by "percentage." Usually 70% to the land-owners, and 30% to the tenant-farmers; or 60% to land-owners and 40 to the tenant farmers.

(3) By Yi Chu System, is meant that the division of the agricultural products as rental is to be agreed upon by two parties at the very moment.

It is not necessary for us to describe the evil of these systems, and to add that the tenant-farmers always find themselves unable to pay the rental but declare bankruptcy, and that these systems should be abolished totally. What we want to add is that there is another class of farming people more miserable than the tenant-farmers, that is, the agricultural laborers.

Remedial Measures

Under such circumstances, it is no doubt that China is facing another crisis—viz., rural bankruptcy. The only remedy lies in:—

(1) Imposition of custom duties on imported agricultural products, as a means to protect the Chinese agricultural products.

(2) Abolition of exorbitant and miscellaneous taxes.

(3) Suppression of evil systems, which have been in force traditionally, by vigorous steps.

(4) Extension of financial facilities by the Chinese banks to rural districts.

(5) Compulsory but gradual application of modern implements in planting and harvesting.

It is our earnest hope that the R. R. C. will take vigorous steps toward this direction, and that their work will not be ended by mere formation of the Committee appointment of members and officials, and issuance of pamphlets, gazettes, etc., for self-propaganda purposes, but will do some substantial work to relieve the suffering of these miserable farming people, who constitute 85% of the Chinese population!

Nanking, Dec. 16, 1933.

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The Need of a Modern Leprosarium in Shanghai

(By a Correspondent)

The average citizen of Shanghai who goes to his office in the morning and comes back to his home after five every-day in the year round never thinks of leprosy as a social problem and he is not bothered with it even though it were a great menace to the public health of the community or to the welfare of his own family. But he cannot help being irritated if he knew that the menace were a real one and that it had already reached his own door!

That Shanghai needs a leprosarium is a fact which we have got to face. The Hongkew Clinic for Skin Diseases has on its record 173 cases of leprosy. The reports of St. Luke's Hospital, the Chinese Lester Hospital and the Chinese Red Cross Hospital show the aggregate attendance of at least 100 cases at one time or the other, to say nothing of the other hospitals. These are the known cases. In 1921 a census of lepers was taken in India which gave the figures as 100,000. Dr. E. Muir, one of the world's greatest authorities on leprosy, remarked that the actual number would be most likely ten times the figures given for the obvious reason that the lepers usually do not wish to present themselves for treatment unless they are compelled to either by force or by the nature of their disease. If the remark of Dr. Muir is equally applicable in China we should have, at least, 2,000 cases of leprosy in this metropolis of ours.

In commenting on the nature of the work which some of the patients of the then leper Clinic of St. Luke's Hospital were doing Dr. E. S. Tyau writes in his paper on "The History of Leprosy in Shanghai" delivered at the National Leprosy Conference held in Shanghai last October: "One was a cook in a foreign family, one a laborer in the service of the Shanghai Municipal Council Public Works Department at Yangtzepoo, one a hairdresser in a well-to-do Chinese family, another a salesman in one of the department stores and a couple were beggars on the street. The majority of them were farmers from the country. In Shanghai most of the lepers made their homes in the Chapei district." The writer can easily add at least half a dozen more cases which he has seen recently. There is a leper selling candies every day in front of the Church of our Saviour on Tien Tung and Dixwell Roads and another one selling cloth near the Tan Poo Bridge on Rue Pere Robert. In one of the alleyways near the Chapoo Bridge there used to live a very advanced case of leprosy. Two leprous beggars have recently been seen: one near the new Dixwell Road Market and the other on the entrance of an alleyway on North Szechuen Road. Only very recently a leper was seen among the members of a musical band!

It the above facts are sufficient to show the high and increasing incidence of leprosy in Shanghai it seems imperative that something must be done to cope with the situation. The proposed National Leprosarium of China sponsored by the Chinese Mission to Lepers and supported by the National Health Administration, the Bureau of Public Health of Greater Shanghai, the National Medical College of Shanghai, Tungchi University and the Vocational Educational Association is undoubtedly the best solution to the vexatious problem. Since it will make Shanghai a safer place to live in the scheme deserves the most hearty support of the community.

How Simeon Kaspe Met Death at Hands of Russian Bandits

Further details of how Simeon Kaspe of Harbin met his death at the hands of the bandits who kidnapped him, were revealed in the statements of a man named Bezrutchko, who was recently arrested. According to Bezrutchko, two members of the kidnapping gang, Kerichenko and Galushko, proceeded to the dug-out where Kaspe was prisoner, on November 24, afternoon. Realizing that all efforts to secure ranson money had failed, as they all sat down and began to drink tea together with Kaspe and his guards, Kerichenko whipped out his revolver and jamming it against Kaspe's temple, pulled the trigger. Death was instantaneous. The men then stripped the corpse of all its clothing, went to the house of a Chinese farmer not far distant and borrowed a spade with which they returned and buried their victim. When the body was subsequently disinterred by detectives it was found that both Kaspe's ears had been cut off.

Reactions of the Fukien Independence Movement Upon Japan

(By the Review's Tokyo Correspondent)

(Translations from various Japanese publications)

IT was perhaps not until November 18, when the Tokyo *Asahi* reported the possible independence of Fukien Province in an inconspicuous way that the Fukien independence movement began arresting the attention of the Japanese. Three days later, all the Tokyo and Osaka papers published the sensational news of the independence of the province, on the opposite side of Taiwan, and made the people prick up their ears for more knowledge of the development and the seat of the disturbance of which the general public of Japan has little knowledge as compared with the northern part of China.

Although it is still too early to get concrete views of the important men and critics on the incident made public through periodicals other than newspapers, the fragmental expression of the views of the Government officials, press and its correspondents are heard woven into reports of the development of the new situation and its bearing upon the rest of China.

One thing worth noting is the fact that, like all the other similar incidents in China, the independent movement of Fukien has been reported in detail in leading Japanese papers, materials being supplied by their own correspondents in Shanghai. The most active are the reporters of the *Nichi Nichi-Mainichi* and Tokyo and Osaka *Asahi*; the *Nichi Nichi* despatch from Foochow (Nov. 23) gave quite a realistic account of what is going on in the city of Foochow, even touching upon the rumor that the Nanking Government has offered a reward of 1,000,000 yuan for the capture of General Chen Min-shu.

Editorial Comments of the Leading Journals

Tokyo *Nichi Nichi* and Osaka *Mainichi*, Nov. 22: New Development Deserves Careful Attention.—The independence of Fukien Province is a provincial question but it may be regarded as a forerunner of the disintegration of China. From a domestic point of view, it will indicate further extension of the communistic influence and a shadow in the path of the political power of Gen. Chiang Kai-shek. From an external point of view it will signify a turn for the worse in the Chinese diplomacy toward Japan. In these respects, the incident at Foochow bears important significance.

The appearance of the Foochow Government in pink color will prove as much a blow as the appearance of a new enemy from behind for Chiang Kai-shek, who is already occupied in fighting communist troops elsewhere. Even though the situation may not develop so far as to cause the downfall of the Chiang regime, it has certainly seriously affected the prestige of his power and reduced the extent of the influence of the Nanking Government in the extreme.

It is noteworthy that the Fukien Government, in spite of its being controlled by leftist radicals, does not profess any anti-Japanism in its diplomatic policy. This, however, is due to the fact that even these pro-Russian radicals realize the disadvantageous result that is bound to come if they raise the cry of anti-Japanism now. It is not difficult to suppose that in some future time they will show their teeth against this country. Behind this independence movement works the influence of former Finance Minister Soong who is pro-European and anti-Japan, and the pro-Japanese policy of Wang Chao-ming and Huang Fu will feel futher oppression by the appearance of these anti-Chiang factors. The situation then will stimulate the activity of the factions looking for an opportunity of coming close to America and Russia.

We insist on regarding the Fukien incident as purely a domestic affair of China and refraining from interference, but we cannot pass lightly over the fact that in Fukien, only 12 hours' distance across Taiwan Straits, the left wing power has appeared We have our rights stipulated in the Non-Secession of Fukien treaty, which we concluded with China after the Sino-Japanese War.

At present, there are no issues that involve this right, but along the coast of Fukien there resides a large number of our Taiwanese people. Should any untoward incident occur that infringes upon our rights, we may be forced to resort to decisive measures. From these considerations, we are duty bound to observe the development of domestic and diplomatic affairs that may hereafter arise around the independence of Fukien.

Tokyo Asahi Nov. 22: Development Deserves Serious Attention.—A new independent government of Fukien has been established. The political color of the new regime is, as is evidenced by the leaders who occupy important positions in the Government, extremely anti-Chiang Kai shek. These anti-Chiangites had been looking for a chance to make a new start. Seeing the undecided attitude of Gen. Chen Ching-tang, who has influence over the Canton district, it may be that they persuaded Gen. Tsai Ting-kai and other anti-Chiangites of the 19th Route Army to rise in Fukien. Probably it is for this reason that Chen Ching-tang's attitude is rumored to have torned against them. If Canton stands aloof and the Kiangsi faction denies showing sympathy with the new Government, its maintenance will be financially impossible.

However, should the new Government prove something different from the temporary creation of an independence movement of a province, the affair demands our serious attention. The new Government's declaration, participation by the Third Party and the tacit understanding between the Third Party and the Communist Party are what engages our attention most. That the new regime refrains from hanging up an anti-Japanese signboard in declaring the abrogation of unilateral treaties, is to be construed as an evidence of its being apprehensive of coming into conflict with Japan rather than as a sign of goodwill. Besides, the declaration abundantly reflects the will of the Third Party, which is but next-door to the Communist Party. What we are afraid of, therefore, is the possibility of the regime's being dyed in deeper red and eventually presenting the same situation as in the case of the Wuhan Government. Serious attention is due to the development of the incident.

Osaka Asahi, Nov. 23: It is not too much to say that Nanking's fate depends on whether it succeeds in suppressing the Kiangsi Communist army and that the success of this work of the General is conditioned upon enjoying the cooperation of the Sinan faction. It is therefore but natural that the Fukien independence gives a vital blow to the Nanking Government. What is worse still, it seems the 19th Route Army shakes hands with the Communist army. If such is really the case, it may not be impossible that the 19th Route Army may withdraw from the Fukien front and gather its entire strength to the north.

The independence of Fukien Province may be characterized by its involving communistic elements, but seeing that it tried in vain to win to its side Hu Han-min, a senior member of the Kuomintang, the elements involved must be a group of opportunists, who, with no ideology whatever, attempt to rise in power from sheer want of spreading their wings. It may be that the new Fukien Government aims at subjugating Canton, and naturally until and unless this object of the Government is reached, it could not spread its armed force towards Chekiang Province in order to attack the rear of Nanking's troops. Possibly the development of the situation may expedite the Nanking-Canton reconciliation.

What we should direct our attention to is the fact that in the new Government's declared planks we find none endorsing an anti-Japanese attitude. But this one single fact is not sufficient to justify our extending a welcome hand to the new regime. Needless to mention, to cooperate with a Communist army, even though but temporarily, requires our utmost caution The development of the new situation demands our careful watch.

Osaka Mainichi, Nov. 25: Whenever any political disturbance occurs in China, it always seems to affect some treaty rights possessed by Japan. To those who are not well versed in the Far Eastern situation, this may seem due to Japan having too much of a hand in the Chinese pie, but in reality Japan and China are so closely situated geographically that anything which happens along the Chinese coast or in North China is bound to affect Japan in one way or another.

Those who mistrust Japan may think that Japan is constantly dispatching troops or warships to Chinese territory under one pretext or another, but it must be remembered that the very fact that we must send troops and ships shows how closely related we are to Chinese affairs.

Needless to say, we cannot send our armed defenders to China unless we have a right to do so. Our rights in this respect are similar to those possessed by other Powers which station warships and marines in China. The only difference is that our warships and troops are called more often to be prepared to protect our nationals molested by Chinese disturbances. This again is due to the fact that we have more nationals residing in China than any other Power.

Although, so far we have not taken any emergency step, if the revolution in Fukien Province becomes more troublesome, we shall have to do something. Fukien, located just across the strait from Taiwan, is of special interest to Japan. We even have a specific treaty with China calling for no territorial transfer or change in the province which will jeopardize the security of Taiwan. The natives of Fukien and the Taiwanese are also ethnologically closely related, and we have thousands of Taiwanese residing across the strait in China. Considering all these points, it is natural that the Tokyo Government must follow the development of the new revolution closely. We may have to step in, but in that event, Europe and America must remember that we are not half way around the globe from Fukien.

Tokyo Nichi Nichi and Osaka Mainchi, Nov. 29: As already mentioned in these columns, the Fukien independence may change the atmosphere for the worse toward this country, and as if to confirm our apprehension, on November 25, a launch filled with members of the Japanese Consulate General at Foochow was attacked thus intensifying the gravity of Japan's China diplomatic negotiations, which are already full of knotty issues.

As to the scanty financial resources of the new Foochow Government, Wang Chao-ming has been so optimistic as to declare that the Fukien authorities will find their financial resources exhausted within two months. We shall refrain from commenting on the possible length of the life of the new power in Fukien, but it may be stated as a fact that this independence movement has provoked great animation among the anti-Chiang factions scattered over China.

What is most noteworthy is the reaction of the movement on the North China situation. All leaders of North China, by announcing their support of Nanking, are assuming quite a cool attitude, whereas General Feng Yu-hsiang is maneuvring among leaders of the former north-eastern military clique. The result of General Chiang's fight with the Fukien power has the possibility of creating a serious situation in North China. Should North China be again disturbed now, our negotiations with the Chinese authorities in connection with the aftermath of the signing of the Manchukuo-North China relations, which have just began to dawn, will be greatly affected. The maintenance of peace in North China is indeed what concerns us most.

Tokyo Asahi, Dec. 2: Need for Peace Maintenance in *North China.*—The future of the new Fukien power is beyond our power to predict. It is doubtful how far Chiang Kai-shek, who is suffering from his unsuccessful Communist suppression and financial difficulties, will exercise his influence against the anti-Kuomintang uprising. The new Government, as it stands now, has no less weakness: its financial standing is unsound and its foundation weak—as has been mentioned in these columns, a sign of dissension being already disclosed.

Both the fate of the new Government and the progress of Chiang's expedition deny our foreboding at this time, but it is possible that in consequence of the decaying Nanking authority an anti-Chiang movement will be started at various places, not to mention the south-western district, leading to the monopolistic advantage of the Communist Party.

It is not Japan but the Communist Party and army that threaten China. This the wise General of Nanking must have realized, for he has shifted his battle-front from anti-Japanism to Communist suppression. It is indeed a unique chance now for Nanking to make a thoroughgoing liquidation of its Japan policy—putting an end to its lukewarm anti-Japanese movement. Is the Nanking Government sufficiently decisive and foresighted to do this? The plight of the general public of China deserves our deepest sympathy.

It is only North China that retains tranquility in the vast expanse of land of the Chinese Continent. We are convinced that Sino-Japanese cooperation—which is easier said than done—must in future be promoted in North China with redoubled efforts.

Opinions in Government Quarters

Foreign Office (translated from the Tokyo *Nichi Nichi* which gives far more details than other papers), Nov. 21: The Foreign Office failed to receive official notes on the issue of the Fukien independence until the night of Nov. 20. With perfect calm the authorities decided to deal with the affair in the following attitude:—

1. Toward the domestic disturbances of China the Imperial Government makes it its established policy to keep strict neutrality, standing on the principle of non-interference. In applying this policy the Government makes no discrimination between the central and provincial political authorities.

2. The Japanese Government is ready to form friendly relations with any power which has a rational attitude and show goodwill toward Japan, in total disregard of where it belongs, whereas in the event of a newly arisen influence assuming an unfriendly and anti-Japanese attitude, Japan will not hesitate in taking due counter-measures.

3. Based on the foregoing policy the Government will resort to proper and effective measures in case the life, property or private or public rights of Japanese nationals is endangered by the Fukien regime in the execution of its declared planks.

4. Japan has a special interest in Fukien Province because of the official notes exchanged in 1898 pertaining to non-cession of the province, In the present case where the independence was declared by the Chinese themselves, no intervention is justifiable, but if there is at the back of the movement any political or military maneuver of a third Power eventually leading to the spread of its political influence over the territory, the Government will act properly upon the spirit of the official notes, irrespective of whether the territory is ceded or leased to any third Power.

Based on this policy the Government despatched instructions to Minister Ariyoshi and the Consuls at Foochow and Amoy.

Army: The Army authorities have the following view: The sign of the outbreak of an independence movement has been noticed and the report may not be unfounded. This is the first eruption of an Anti-Chiang movement and the second and third will follow in all directions of the Chinese Continent, thus creating a great commotion all over the country. In such an eventuality North China will also be involved. Careful watch is therefore is due on our part. What draws our attention most is whether or not an European or American influence is working at the back of the independence movement.

Navy: The Navy Office authorities are paying much attention to Fukien province's declaration of independence and have tentatively decided on measures to be taken according to the development of the situation. In this connection a spokesman of the Navy Office said: "We are carefully studying the relations between the independent Government of Fukien and the Chinese communists In case the situation become very serious, the Imperial Navy will take all necessary measures for the protection of about 8 000 Japanese including Taiwanese, in the province. The Imperial Navy is prepared to meet all exigencies. If asked by the Japanese Consul at Amoy, the Navy will rush war-ships to Amoy and Foochow from Mako, Taiwan.

International Implications

Yomiuri Shimbun, Nov. 22: Evil Hand of Russia:—In connection with the independence movement of Fukien province Gen. Chiang Kai-shek decided on starting a campaign against Gen. Chen Ming-shu on the charge of insurrection. According to a rumor in certain quarters, at the back of Gen. Chen Ming-shu there is stretched the magic hand of the Soviet communists. The rapprochement between the United States and herself having been realized of late, Soviet Russia, believing that the Japanese influence can to some extent be restrained by the United States, began stretching her red hands towards southern China with an ultimate object to sovietize the whole of China. Gen. Chen's rise this time is to be regarded as the initial raising of the standard of revolt for this purpose. The future movement of Gen. Chen therefore requires our serious attention.

The Nichi Nichi, Nov. 22: Britain's Evil Hand Is Stretched Behind the Scene.—According to a report from reliable sources a secret loan negotiation is being conducted between the British Government and Gen. Chen Chih-tang of Canton. The amount of the loan is $28,000,000. Being surprised at the powerful encroachment in the Canton district by the American influence, Britain, as a counterplan to retain her old foothold, started loan negotiations between the Hongkong authorities and Gen. Chen Chih-tang, who represents the Canton Government. The negotiations have been making fair progress. According to the terms of the agreement to be concluded in connection with the loan, Britain will utilize the loan for

(Continued on page 167)

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Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River," and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

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BRIGHT PROSPECTS FOR NEW ALLIANCE BETWEEN NANKING AND CANTON

(Continued From page 151)

subscriptions secured by the Nineteenth Route Army representatives from overseas Chinese after the 1932 Shanghai war, Tsai Ting-kai alone is said to have deposits amounting to over three million dollars with foreign banks in Hongkong. Both Chen Ming-shu and Li Chi-shen are know for their wealthy connexions with Hongkong firms and merchants and either of them can advance substantial loans for the Fukien government. Even if the alleged loan from the Chi Kung Tang, should materialise, it cannot be very big. The Kwangsi commanders who are expected to join the secessionist movement when the chance comes along can also be expected to join with their funds.

Fukien itself is financially poor and but for the monthly remunerations from Canton and Nanking for the last several months the 40,000 soldiers under the Nineteenth Route Army banner would have perished under the strong Communist pressure. It is a known fact that when the Central Bank branches were forcefully taken over, the rebel government was benefited to the extent of about $500,000 money seized from Nanking's banking branches in Fukien cities. In addition to this unexpected and big contribution, the Foochow Foreign Minister, Eugene Chen, optimistically expected that new revenues and financial resources could be opened up without difficulties as for instance an increase on the kerosene tax and other tax on foreign imported articles. From the maritime customs the Fukien government expected to seize monthly a sum of about $400,000. But against these it must be taken into consideration that Amoy has been created a Municipal government and four civil governors for Fukien districts have been appointed and numerous departments under the "Revolutionary Government" have been formed and many military commands established in readiness for the outbreak of hostilities—all these will require a big sum for their maintenance and with so many financial outlets the new Government will have to work overtime in negotiating with the outside world or within Fukien for loans.

In Canton not much attention is attached to the rumors that Chen Ming-shu and Li Chi-shen have approached the Formosan Government for a loan of $5,000,000. It is unthinkable that the Japanese should assist this army, for which the Japanese sacrificed so many lives during the 1932 war. The Communist participation in the Fukien government is another deterrent to the expected Japanese secret support.

Canton, December 15, 1933.

Grim Results of Red Occupation in Hupeh

(From the Review's Correspondent at Hankow)

Uninhabited villages, half-burnt houses, fields lying uncultivated are quite common sights in all the areas formerly held by the Reds in northeastern Hupeh and southern Honan provinces. Government officials and missionaries who have visited these parts relate tragic tales of woe. Whole sections of the population have been wiped out. The poor people left are in a half-starving condition and had it not been for the rich harvest this autumn, thousands more would be famishing now. Missionaries living near these areas are doing famine relief work at present, giving aid to those needing it the most. The following rough estimate, although it does not claim to be absolutely accurate, tallies with the description of two missionaries who have visited the districts where the Reds had their headquarters in 1930-1932, when the bulk of the Red armies departed for more fertile plains in Szechuan, and where food would be more easily found.

1. Huangan: 150,000 massacred, 100,000 people homeless, 185,000 houses destroyed, $15,430,000 worth of property lost, 350,000 heads of cattle and sheep lost and two-thirds of the land laid waste.
2. Lishan: 50,000 people killed, 90,000 homeless, 175,000 houses burned down, $1,000,000 worth of property lost, 15,000 cattle lost and one-third of the land laid waste.
3. Machen: 56,000 people massacred, 84,000 people homeless, 136,000 houses burned down, $9,530,000 worth of property destroyed, 60,000 heads of cattle lost and two-tenths of the land laid waste.
4. Lotien: 13,000 people massacred, 24,500 people homeless, 24,000 houses burned down, $2,460,000 worth of property destroyed, 71000 cattle and sheep lost and one-tenth of the laid waste.
5. Huangpei: 58,000 people massacred, 86,000 people rendered homeless, 32,600 houses burned down, $5,860,000 worth of property destroyed.
6. Hsiaokan: 8,500 people massacred, 17,500 people rendered homeless, 26,000 houses burned down and $6,835,000 worth of property destroyed.

These are the figures only from several districts in Northern Hupeh. Besides these districts there is the whole tier of counties in southeastern Honan area, where the killing of the more well-to-to folk and the damage to property was just as havoc-making

Although reports of victories by government troops in Kiangsi and Szechuan provinces continue to in the struggle against the Reds pour into Hankow, still the local foreign press finds them too rosy and tend to discount such easy triumphs. The news of these victories is released six or seven days after the good news actually took place. The government is criticized for not publishing news unfavorable to their cause, and frankly admit defeat, whenever such is the case; thereby gaining the confidence of the public in the government news-purveyors.

The Reds in Szechuan seem to be holding their own, according to missionaries evacuated from the Red area in northeastern Szechuan. General Liu Hsiang is organizing the whole province in a desperate effort to stem the tide. Successes seem to attend his efforts on the Shaohua and Kuangyuan front. The communists claim to have 60,000 men under arms, while the government forces number about 100,000. The Reds have the advantage of being in one comparatively small area and a smaller line of defense. Martial law has been proclaimed in Chungking, Chengtu, and in Wanhsien. Terrific fighting is said to have been engaged in along the Sui River, more than 900 government officers and men were killed or injured, and the Reds losses nearly twice that number.

In Kiangsi the government troops are reported winning in every engagement with the communist forces. While we discount such glowing reports, nevertheless it must be admitted that General Chiang Kai-shek has the man-power to fight the Reds, if he is prepared to sacrifice the men necessary. However, with the Fukien rebels having a mutual understanding with the communists, and the Kwangsi party not any too loyal to the central authority in Nanking, it seems highly probable that Gen. Chiang Kai-shek will try to conserve his forces until the situation in the south clears somewhat and the positions of the Kwangsi faction becomes manifest. Until he can guage the forces opposing him he will not dissipate his strength after so many years of careful economy. Without his army he would be be powerless.

Latest reports from Hunan state that the people there are supporting the Nanking regime. New highways linking Kwangtung and Hunan are soon to be opened to motor traffic. Engineers are busy working on the new section of the Canton-Hankow railway, which is scheduled to be completed in four years. These avenues of communication have great military value, too. Besides these, there is the contemplated Pinghsiang-Hangchow railway line, which would connect Changsha, Hunan, with Shanghai, cutting straight across Red-infested Kiangsi province.

Here in Hankow the situation is quiet. Apart from a warning telegram from Gen. Chiang Kai-shek to the students of the various colleges, urging them not to listen to the secret agents of the Fukien rebels, nothing of importance has taken place during the past week. Gen. Chang Chun, the chairman of Hupeh government, is a close friend of the Generalissimo.

Hankow, Dec. 18, 1933.

Cubans Welcome New American Ambassador

Fifty thousand cheering Cubans paraded in Havana, Dec. 15 in support of the Government of President Ramon Grau San Martin and to mark Cuban dissatisfaction with the former United States Ambassador Charles Sumner Welles, (who has in the meantime assumed office in Washington as Assistant Secretary of State) and to welcome his successor, Jefferson Coffery.

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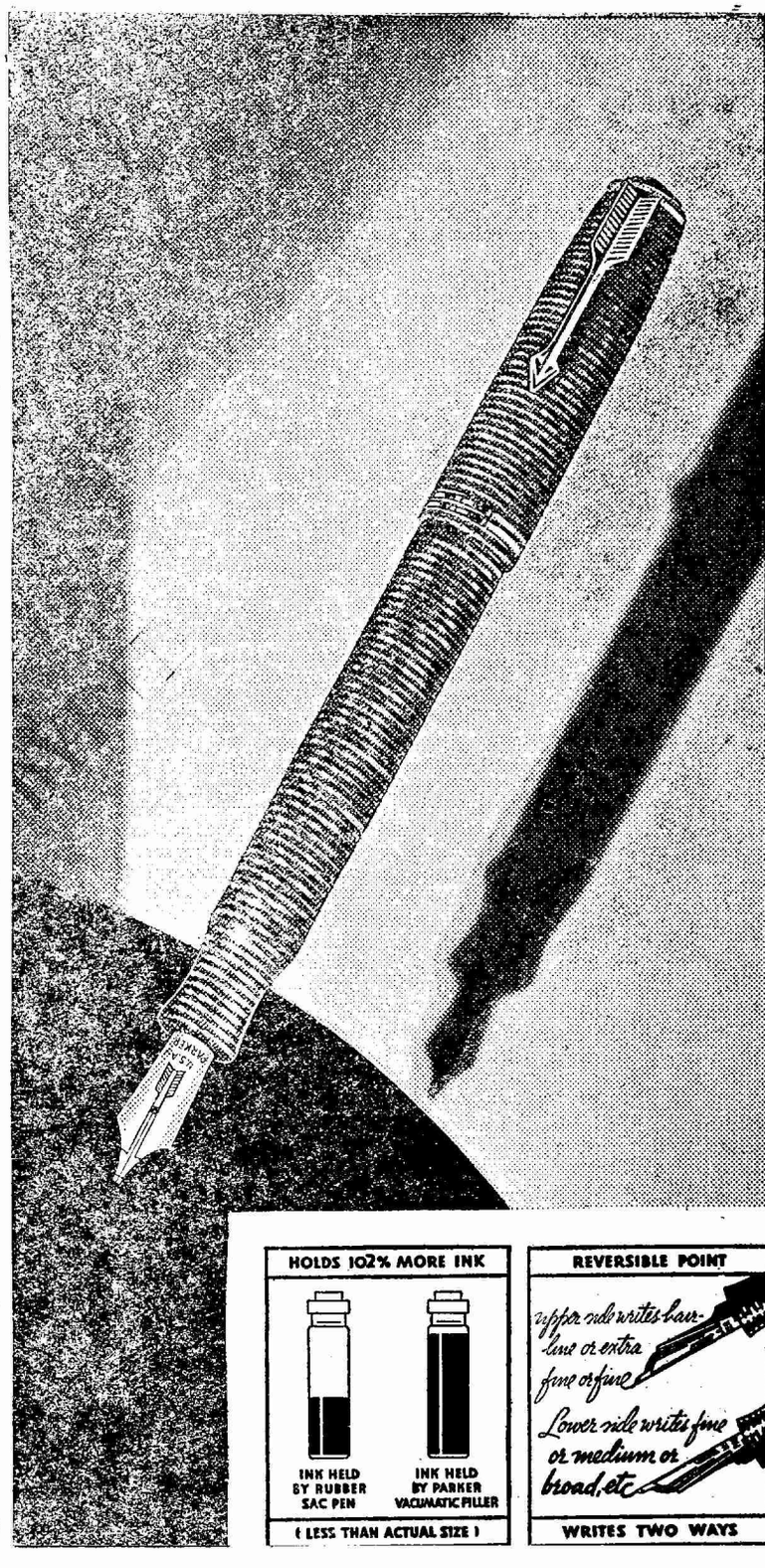
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REVERSIBLE POINT
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WRITES TWO WAYS

Soochow Mourns Passing Away of Well-known Resident and Scholar

Funeral services for the late Ku Cho-an, a well-known Chinese scholar and calligraphist of Soochow, who died October 7 last at the age of 58 after a lingering illness, took place in Soochow last Sunday, December 17. The service was attended by a large number of mourners of that city who paid their last tribute to the deceased in forms of funeral scrolls, written eulogies and floral wreaths.

The late Mr. Ku had had a long scholastic and political career and was known in Soochow particularly for his welfare works. At an early age, he already mastered the Chinese classics and composed excellent verses which gained him a reputation among Soochow literary circles. He took particular interest and delight in the art of Chinese calligraphy and during his life time, was ranked high among calligraphists in Soochow city. He passed the literary examinations under the Manchu Dynasty and was honored with a Hsiu Tsai degree. When the Soochow Chamber of Commerce was organized, he was appointed a secrtary to the organization with which he was connected for more than twenty years. Under the Manchu regime, he filled several political appointments in Kiangsu, but after the Revolution of 1911, he abandoned his political career and devoted himself to social welfare work in Soochow. In turn, he served as councilor of the City Council of Soochow, editor of the Soochow City History Compilation Bureau, Counselor to the Cabinet of the Peking Government which were all honorary posts. Later, he was invited to teach Chinese calligraphy by the Soochow High School, Soochow Normal School for Girls and the Cheng Hua School for Girls and remained with them for more than ten years.

The deceased is survived by a wife, three sons, Ting-lung Ku, M. A. of Yenching University, Tryphon V. Ku of he staff of *The China Weekly Review* and Ting-hao Ku, a post-humous child, and two daughters.

Sinkiang Warfare Turns in Favor of General Sheng Shih-tsai

Official messages received from Gen. Sheng Shih-tsai, Border Defense Commissioner of Sinkiang, Dec. 17 repudiated the truth of the previous telegrams disseminated by agents of his Mohammedan rival, Gen. Ma Chung-ying, alleging that the Sinkiang Provincial Troops had suffered a serious defeat at the hands of the Mohammedans and that Tihua, Capital of Sinkiang, had been cantured by Gen. Ma's force. The messages stated that Tihua remains under control of Gen. Sheng and that peace and order prevail in that city. Gen. Ma Hei-ying, a Division Commander under Gen. Ma Chung-ying, the messages added, had been killed in action during one of the recent engagements with the Provincial Troops and that the Mohammedan revolt would shortly be liquidated.

Gen. Sheng, in a telegram to Gen. Chu Shao-liang, Chairman of Kansu, December 5, reported that the Mohammedan troops under command of Gen. Ma Chung-ying whom he labelled as a bandit chieftain in eastern and western Sikiang had been completely routed with heavy casualties and declared that the entire province of Sinkiang will be pacified in a short time.

Advices received by the Eurasia Company in Shanghai during the week also denied that the report that Tihua had been cantured by Gen. Ma Chung-ying and that Gen. Sheng Shih-tsai had disappeared after fighting a losing battle with the Mohammedans in the outskirts of Tihua. The reports confirmed that Gen. Sheng is still at Tihua, but said that the city is a state of confusion. It is learned that the air service between Nanking and Tihua will be resumed by the Company early next month.

The *Tass* Agency reported Dec. 18 that according to reports received from Chuguchak (Tacheng), the Tacheng civil and military authorities have taken resolute measures for the support of the Tihua Government and for the liquidation of the rebellion started by the Ningyuan military governor, Chang Pei-huang. Representatives of the Uigur tribes, constituting the overwhelming majority of the population of Sinkiang, have arrived in Urumchi (Tihua) and assured the military governor Sheng Shih-tsai of their readiness to fight against Chang Pei-huang and the Dungan troops led by General Ma Chung-yin. The leader of Uigur tribes, Khadji-Niyaz, declared that he intended to dispatch his armed forces to Ningyuang.

An urgent message received at Nanking Dec. 17 from Father Ai-A-Tun-Tzu, a Catholic priest in Sinkiang, stated that over 20,000 unemployed Chinese from Soviet Russia are now concentrating on the Sinkiang-Soviet border with the intention to enter Sinkiang. He requests that measures be taken by the Central authorities immediately to stop the huge influx.

Peace and tranquillity can be restored in Sinkiang only when a fundamental readjustment of the political situation in that remote border province is effected, the *Chung Hua Jih Pao* remarked in an editorial Dec. 13. The journal pointed out that the Mohammedan uprising is largely the result of the maladministration and imcompetency of General Chin Shu-jen, the former Chairman of Sinkiang. Though Chin has now been removed from Sinkiang, yet the province is still under the rule of one of his former subordinates—General Sheng Shih-tsai, Defence Commissioner for the Sinkiang Border. Since the Mohammedans were not satisfied with the rule of General Chin Shu-jen, the journal asked, how can they be satisfied with that of General Sheng? Though the punishment of General Chin is an important factor, yet the fundamental solution of the crisis lies in the thorough readjustment of the political situation in Sinkiang.

Dr. C. K. Sie and Miss Yuan Yung-fu Married in Shanghai

The Astor House was the scene of an attractive wedding last Saturday Dec. 16 when Miss Yuan Yung-fu, granddaughter of the late Yuan Hai kuan, imperial viceroy of of Kwantung and Kwangsi Provinces and one time taotai of the Shanghai Circuit, was married to Dr. Sie Cheoukang, member of the Legislative Yuan and formerly Chinese Minister to Belgium.

The bride, a native of Hunan. but born in Shanghai, is a graduate of the National Conservatory of Music here and is an accomplished calligraphist and poetess. The bridegroom comes from Kiangsi Province and is a noted returned-student from France, Belgium and Germany, in which countries he studied for many years and won high scholastic honors.

The wedding was solemnized in the presence of a large gathering of relatives and friends of both families, including a number of high officials of the Government and the Kuomintang Party. Wu Tsu-hui, veteran member of the Central Executive Committee, and Dr. Sun Fo, President of the Legislative Yuan, officiated at the ceremony, after which a banquet was held at the Bankers' Club, Hongkong Road.

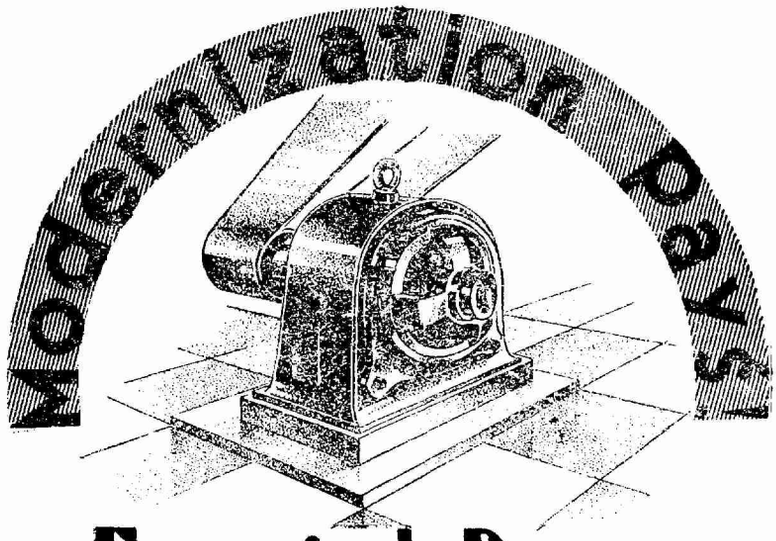
Sino-French Friends Association Gives Tiffin to M. Wilden

The first annual meeting of the Sino-French Friends' Association took place at the Cercle Sportif Francais, Dec. 15, when a tiffin was served. M. Wilden, the departing French Minister to China, was the guest of honor and delivered the principal address. Wang King-kee, President of the Association and chairman of the meeting, and M. Honnorat, the former French Minister of Education and the present head of the Student Body Association in Paris, also spoke. This Association, which was started last June, is for all persons speaking French and includes in its membership the great majority of Chinese who have returned after having studied in Belgium and France. The officers of the organization are: Wang King-kee, president, C. Grosbois, vice-president. Kiang Wen-shin, secretary, and M. Jaser, treasurer. The speeches were all of a most cordial character.

Ministry of Finance Plans New Taxes

The institution of several new taxes, including inheritance tax, income tax and tax on luxuries, is planned by the Ministry of Finance in order to meet the present financial difficulties. Detailed measures for the imposition of these proposed taxes, it is understood, are now being formulated by the Ministry for submission to the Central Authorities.

The proposed income tax, it is understood, will be collected not from individuals, but from the various banks, firms, factories and commercial companies. A certain percentage on the annual net profits of firms or commercial organizations will be collected.



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Socony-Vacuum Corporation Merges Far Eastern Marketing Properties

Stockholders of the Secony-Vacuum-Corporation met in New York, Dec. 14 and approved the merger of the Far Eastern marketing properties of the Company with the producing and refining facilities of the Standard Oil Co. of New Jersey in the same area. The merger agreement provides for the formation of the Standard-Vacuum Oil Co., to which will be transferred the respective Far Eastern properties of the two companies. The stock of the new company will be from U.S.$150,000,000 to U.S.$200,000,000 and will be divided equally between the two companies. Properties of the Socony-Vacuum Corporation involved in the merger include its marketing and storage facilities in China, Japan, British India, Australia, New Zealand, Oceania, and South and East Africa.

George Sokolsky Issues Brochure in Late Wife's Memory

George E. Sokolsky, well known American newspaperman, for many years in the Far East, at present living in New York, has published a brochure entitled, "In Memory of Rosalind Sokolsky," his wife, who died recently. Mrs. Sokolsky was a Chinese woman and Mr. Sokolsky in presenting a biograpichal sketch of his late wife said he was following a custom which is customary among his wife's people. The brochure contains a reprint of an article entitled "My Mixed Marriage," which appeared in *The Atlantic Monthly* in August. Mr. Sokolsky says in this connection. "If there can be any consolation for my loss, it is that it was written before even the shadow of death fell on our lives." It may be mentioned in this connection that Mr. Sokolsky is a Jew.

Japanese Naval Cadets' Visit to Woosung Causes Scare

Rumors that the Japanese had landed an armed force at Woosung as a protest against Chinese troop movements in Chapei which the Japanese consider as violating the Shanghai armistice, were current in Shanghai Dec. 19 as the result of the landing of a party of 167 Japanese cadets at Woosung. These cadets had arrived here from Tsingtao the same morning on the Japanese coast defense ships *Iwata* and *Asama*. They stopped over at Woosung for a sight-seeing trip, escorted by some 10 officers sent by Rear-Admiral S. Uno, the new Japanese landing force commander here. The cadets were unarmed and were ordered not to visit the fortified areas. The cadets were entertained at a dinner by the local Japanese Residents' Association at the Japanese Club in Boone Road, Dec. 20.

Chinese in Singapore to Hold Exhibition

The China Products Company of Shanghai has published a prospectus in the Chinese press of Singapore inviting overseas Chinese to buy shares in the company, which has its head office in Shanghai. The company will run an exhibition in Singapore early next year, displaying Chinese manufactured and other products.

S.M.C. Approves Tls. 4,000,000 Telephone Loan

Subject to the Shanghai Telephone Company withdrawing its application for an immediate increase in subscribers' rates and pledging its acceptance of an increased tariff under the franchise agreement in 1935 not exceeding 25 percent, with no further increase for two years thereafter, the Municipal Council has agreed to cooperate in an arrangement whereunder the company's American dollar capital will be converted into silver.

Will Our Donated Planes Participate in Civil Wars?

BY PAUL K. WHANG (汪 仲 芳)

WE were told that we should build up a strong air force for the salvation of our country and that as patriotic citizens we should contribute our money to the funds raised for the purchase of aircrafts. We responded to that appeal wholeheartedly and made our contributions generously. Overseas Chinese were especially enthusiastic over this movement and donated one plane after another to their Fatherland in the hope of strengthening our national defense. What a great shock to the people who have found that these very planes which they purchased with their hardearned money should be used in the fratricidal warfare, instead of strenghtening our national defense! As if we think that our civil wars in the past were not destructive enough, we have now provided the rival military leaders with deadly weapons so that they can cause wide-spread death and destruction to our lives and properties.

During the past two decades, we have passed through countless civil wars. Yet none of the spectacular horrors that we witnessed during the Shanghai "War" in the early part of 1932 have occurred. No cities have been reduced into heaps of smoking ruins, and no great damage has been wrought to civilian properties. The reason to account for this moderate nature of civil wars is partly due to the fact that the soldiers have not been equipped with modern armaments, and partly because of the fact that many Chinese civil wars have been fought on paper instead of on the battlefields. Moreover, silver bullets have oftentimes played a more important part than those fired from the rifles in the fighting for supremacy of the country.

But this will not be the case, if bombers and fighting planes should be used in the future internecine warfare. As demonstrated by the Japanese air force in the Shanghai "war," a populous section of a city could be levelled to the ground by attacks from the air in short order. Though the Chinese air marauders are not expected to be so effective in causing wholesale death and destruction, yet their lack of experience and poor marksmanship may prove even more dangerous to civilian lives and properties. The terror of the people can be well imagined if the airplanes of rival military leaders should exchange visits and 'lay eggs' on the populous cities.

The Danger from the Air

It is highly problematical if the war between Nanking and Fukien can be averted by political means. If the 19th Route Army can fight their own countrymen as bravely as they fought the Japanese, this struggle, to all intents and purposes, will make all the previous civil wars mere child plays. The air forces on both sides have been mobilized in conjunction with the land forces. It has been reported that on Dec. 2nd, a Nanking plane bombed a mass meeting in Chungshan Park in Chuanchow, Fukien, resulting in the loss of many civilian lives. General Chiang kai-shek, chairman of the Military Affairs Commission, in a circular letter to the 19th Route Army, threatened to send planes to bomb Foochow, the provincial capital of Fukien. If Gen. Chiang actually carries out his threat, the Fukien insurgents will undoubtedly retaliate by dispatching planes to bomb populous cities in Chekiang and Kiangsu.

The Nanking air force in Hangchow, Chekiang, is reported to consist of seventy-five fighting planes including bombers which were recently shipped to China from the United States. Most of these planes were purchased with funds contributed by patriotic individuals and organizations. According to the report of the *Tah Wen Pao* of Nov. 28th, local Chinese evening paper, a batch of about seventy more planes, most of which were also purchased with the money contributed from the public, are now on their way to China and will be shortly delivered to the Nanking government.

The 19th Route Army did not possess one single air craft at the time when they fought with the Japanese in Shanghai. Their bravery and courage in resisting the Japanese won such wide admiration from the Chinese people that they were not only showered with money contributions, but also presented with a small fleet of airplanes by the overseas Chinese. The reports of their air strength are various and conflicting. They themselves have boasted a fleet of eighty planes; but according to those who have recently come from Foochow, we are told that they have no more than twenty fighting planes which were all donated by the South Seas Chinese. It must be acknowledged, however, that since the Shanghai out-break, the strength of 19th Route Army has been considerably increased through the acquisition of a large quantity of arms and munitions purchased with the money contributed mostly by the Shanghai public.

In pushing the "National Salvation Through Aviation" movement at the beginning of this year, the Nanking leaders assured us that the airplanes thus donated by the people would not be used in future civil wars. On the strength of this assurance, individuals and organizations have since contributed generously to the funds raised for that worthy purpose. The movement would be even more successful, had it not been for the fact that many of our people have doubted the sincerity of the government promise in not using the donated planes for civil wars. In the last few months, many dedication and christening ceremonies have been held, and planes after planes been donated to the government by the merchants, laborers and students. Hardly have these planes been delivered to the government than they are to be sent to the war front and bring destruction to the lives and properties of those people who perhaps have also contributed their shares in purchasing these planes. What is more tragic is that before our national defense can be strengthened, these donated planes may be long destroyed in our domestic hostilities.

The 19th Route Army have won much of the public esteem because of their repeated declaration that they would not participate in civil wars. It has been the fervent hope of the nation that this brave army should be so expended and developed that they can constitute a main prop in the modern Chinese army. Actuated by this pious wish, the Chinese people everywhere have loosened their purse strings and poured in their financial contributions to the support of this illustrious army. According to the accounts published by themselves, they received from the Chinese in China and abroad during the Shanghai "war" an aggregate sum of $10,680,372; G.$46,725 and £56, not mentioning the vast quantity of materials including clothes and foodstuffs contributed by the public. Since their transfer to Fukien, the overseas Chinese have still remitted their contributions and donated them a small fleet of fighting planes, with the hope that these brave soldiers, who were greatly handicapped by the lack of airplanes in their fighting with the Japanese, may build up a strong air force themselves, so that they can fare better in their future wars against the foreign invader.

The Mystery of the Missing Contributions

Since the Japanese invasion of Manchuria, the Chinese people on numerous occasions have demonstrated their genuine patriotism by contributing generously to the various funds raised either for the assistance of Manchurian volunteers, or the support of Shanghai defenders, or the development of a national air force. To their great disappointment, they have found that out of the total contributions made by Chinese both in China and abroad amounting to from $20 to $30 millions, only a little over $1,700,000 have been accounted for, while nine-tenths of these huge contributions are still missing. So far the individuals and organizations that took upon themselves the task of soliciting contributions from the public have not yet publicly explained the whereabouts of this missing money.

To their further distress, they are now finding that the leaders of this illustrious army on whom they pin a great hope have turned out to be traitors, and that the airplanes which they have donated to the government and the 19th Route Army will be soon employed in internecine warfare. In a sense, we have virtually supplied modern armaments to the rival war leaders so that civil wars can be fought more destructively and on a large scale. They have broken their solemn promise and betrayed the trust of the people.

It is only natural that henceforth the public will turn their deaf ears to any patriotic appeals for funds. Why should they donate their hard-earned dollars, when the money thus contributed should be misappropriated by the ones who are entrusted with the care of the funds, and the purpose of the contribution should be miscarried? Their patriotic fever has been submerged in their acute

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disappointment; their profound hope has been tempered with their excessive despair. As a result, their enthusiasm has been dampened, their eloquence has been silenced, and their feeling toward wounds and humiliations has lost its sensitiveness.

Can we rightly call our people unpatriotic, if they maintain an attitude of indifference and aloofness toward any patriotic appeals in future? The warlords may fool some of the people some of the time but not all of the people all of the time. Confidence once lost can not be easily regained, and hope once disillusioned must take time to rebuild. The warlords who have thus cheated the people will infallibly receive their due "reward" in time to come.

Shanghai, Dec. 18, 1933.

Japan's Woollen Piece Goods Trade in China Grows Rapidly

Much has been heard of how the Japanese are rapidly ousting the British in the cotton piece goods trade in China, but statistics recently published by the Chinese Maritime Customs show that Japan is also making great inroads on Britain's woollen piece goods trade in China. Under the heading of "Serges, Woollen, including Twills" the comparative figures for the first ten months of this year as compared with the first ten months last year are as follows:

	1932	1933
Great Britain	G.U. 1,080,283	G.U. 854,183
Japan	236,858	459,889
Total import for 10 mos. (all countries)	G.U. 1,782,243	G.U. 1,756,801

(G.U.-Gold units, that is *Gold* 40 cents, actually at present a little more than U.S. $0.60.)

Japanese Woolen Textile Industry Is On Upgrade

The woolen textile industry in Japan has made great progress and has been very prosperous of late. Australian wool has fallen to the lowest level within the past 20 years. Kichjiro Kusumoto, managing-director of the Tokyo Muslin Company, explains that imports to Japan of wool totalled approximately 640,000 bales last year and 670,000 bales this year, and are expected to run up to 750,000 bales next year.

The depreciation of the yen exchange value placed the woollen textile industry in a preponderant position in Japan's export trade, also ejecting foreign goods out of the home market, this industrialist further stated. There has been a tremendous increase in exports of woollen textiles to China and Europe.

In the Hongkew district of Shanghai tailors are offering suits made from "English" cloth at $40 or $50, as against about $80 or $90 in the Central District. In many cases, however, the "English" cloth turns out to be of Japanese make. Several years ago a British firm in Shanghai sold a large stock of tweeds supposedly bankrupt stock from Scotland—but in this case also investigation showed that the goods were of Japanese manufacture.

In the Chinese court in the French Concession Dec. 19 a Chinese shopkeeper (Tsu Chi-yuen) was fined $60 for selling knitting wool under a false German label, whereas the wool was evidently Japanese. The complainants were Carlowitz & Co.

Statistics of Chinese Living in Foreign Countries

According to the latest reports, the total number of Chinese abroad numbers 12,825,572. Most of them are engaged in business and some are regular workers. They are distributed as follows:—

United States	74,954
Canada	45,000
Mexico	30,000
Cuba and the West Indies	85,000
South America	55,000
Honolulu	27,279
Philippines	84,000
Annam	480,000
Siam	2,500,000
Burma	345,000
Malaya	2,000,000
Netherlands East Indies	1,233,856
Pacific Islands	45,000
Japan	25,936
Korea	91,500
Formosa	3,400,000
South Africa	17,600
Hongkong	825,645
Macao	119,876
Europe	15,000
Soviet Russia	300,000
Latin America	25,000

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Chinese Participation in Chicago Exposition Successful Both Culturally and Financially

Although handicapped by shortage of funds and harassed by Japanese aggression and intrigue, China's participation in the Century of Progress Exposition at Chicago was regarded as successful both culturally and financially. Although the final accounting has not yet been made, it is reported that the Chinese section practically paid its own way, particularly the department which was devoted to the famous jade pagoda, which attracted large crowds daily. China's success was due in large measure to the personnel of the Chinese committee which had charge of the exhibition of products which had been collected from all parts of the Republic. Naturally there was considerable competition with the Japanese who passed up no opportunities to boost Japan at the expense of China, particularly on the Manchurian issue.

China's "Shock-Troops" at the Chicago Exposition—Left to Right—Wallace Tang, Dr. F. S. Ho, K. H. Chow, Miss Louise Chow, Z. L. Chang (director), G. H. Wang, Thomas T. Lee, Laotu Chang (secretary and treasurer).

When China and Japan were invited by the Exposition management to participate in the Chicago show the question of Manchuria—Manchukuo—immediately arose to vex the management, for Japan insisted upon including Manchukuo in the Japanese section. China offered strong opposition to this, hence the question had to be settled at a meeting of the high executives, who finally ruled that since Manchukuo had not been recognized by the U. S. Government, the Japanese could not include the puppet state in their section. But in accordance with Japanese tactics they tried to get around the ruling by employing an American named Garner Curran, formerly a newspaperman in Japan, who lectured daily at the Japanese section telling of the wonders of Manchukuo. This produced an immediate protest on the part of the Chinese and as a result of which the Japanese were finally compelled to discontinue the Curran lectures. However, the Japanese did continue to distribute booklets and literature dealing with Manchuria which bore the imprint of the South Manchuria Railway, which dealt extensively with the commercial relations of the United States and Manchuria One Japanese pamphlet was entitled, "Economic Construction Program of Manchukuo," while another was, "Understanding Manchuria —Handbook of Facts," which was written by Roy Hidemichi Akagi, a visiting lecturer at Columbia University.

However, the Chinese also conducted a lecture campaign at the Chinese section, the lectures being delivered by different members of the delegation. The lectures were on such topics as "Introducing China," "China's Reconstruction Work," "China's Commercial Relations with the United States," "Chinese Family Life," "Chinese Women of Today," "Chinese Education," and "China and the World."

The Chinese exhibition was housed in a native-style house which included space for private merchant exhibitors as well as exhibits sent to Chicago by the central and provincial government as well as guilds and other trade organizations. These included samples of Chinese products as well as craftmanship. Of most interest naturally was the famous green-jade pagoda, which attracted large crowds and produced a favorable impression on all sides.

Japan Demands Huge Heroin Quota at Geneva

The Drug Control Committee at Geneva, Dec. 16. announced that it had drawn up an estimate of the forthcoming year's world drug requirements for "legitimate purposes." The following allottments have been made in the Far Eastern estimates:—China, 100 kilograms of heroin, 20 kg. of codeine, 300 kg. of diodine, and 20 kg. of eucodal; India, 454.6 kg. of morphine. 9 2 kg. of heroin, 81 kg. of codeine, 13.7 kg. of diodine, and 4.5 kg. of eucodal; and Japan, 3,378 kg. of morphine, 650. kg. of heroin. 1,345 kg. of codeine, 50 kg. of diodine and 41 kg. of eucodal,

The fact that Japan, including Korea and Formosa, has demanded more than half of all the heroin designed by the quota for the entire world has caused perturbation in League circles. Of the total amount of 47 tons for all the narcotics, morphine holds first place with 40 tons.

The Tokyo Supreme Court Dec. 11 turned down the appeal of six smugglers of narcotics and sustained the decision of the lower court, thereby confirming the fines amounting to 2.682.460 yen and the recompense to the State of 4,119,907 yen to be paid by the defendants, who were charged with violation of the narcotics law and the customs regulations. According to the judiciary authorities the six men smuggled into Japan during three years from February 1928 to February 1931 from Germany 3,794 kilograms of morphine compounds, in 67 instalments.

General Chiang Kai-shek has issued a circular telegram to the military and civil authorities in Kiangsu, Kiangsi, Chekiang, Hupeh, Hunan, Honan and Anhuei instructing them to take effective measures for the suppression of opium cultivation in their respective provinces.

Three soldiers, including an ex-officer, arrested last September near Hangchow carrying 110 packages of narcotic pills, (hidden in valises), were executed (shot) at Hangchow Dec. 18.

Appropriation of $6,000,000,000 to Be Asked For by Roosevelt Administration

The Roosevelt Administration is preparing an appropriation demand for a minimum of six milliard dollars for reconstruction purposes. Of this sum $2,600,000,000 will go to the ordinary budget and the remainder to extraordinary emergency expenditure, involving disbursements after February 15.

The formation of a new political party pledged to support President Roosevelt's policy was foreshadowed Dec. 23 by the Hiram W. Johnson, senator from California.

The monetary issue in the United States has resolved itself into a contest between the agricultural West and the industrial East. President Roosevelt has clearly taken his stand on the side of the farmers, for whom a depreciated dollar means not only the raising of prices, but the reducing of debts. Sentiment in favor of the free coinage of silver—either at Bryan's ratio of 16 to 1 or some other—is growing daily.

The situation regarding war debts due the United States Dec. 15 was as follows:—Finland paid in full as usual. Great Britain made a token payment of U. S. $7,500,000. France, Poland, Belgium, Hungary, Esthona and Yugo-Slavia defaulted.

The price of newly mined gold was fixed at $34.06 an ounce Dec. 18—a rise of 5 cents.

The Secretary of the Treasury Dec. 18 stated that out of 173 vessels of the rum fleet off the United States coast, all except eight were flying the British flag.

Colonel and Mrs. Charles A. Lindbergh arrived in Miami, Florida. Dec. 17, thus bringing to a close a long voyage of 28 000 miles which they accomplished over three continents and two hemispheres.

REACTIONS OF THE FUKIEN INDEPENDENCE MOVEMENT UPON JAPAN

(*Continued from page 158*)

the construction of cotton and woollen fabrics and other factories in Canton, while on the part of the Canton authorities they promise to exclusively utilize the service of British advisers in all Government and military activities, in place of reliance upon the United States, as has been the practice hitherto. Evidently, Great Britain aims at driving away the influence of the United States and checking the advance from Japan. Nominally, the loan is scheduled to be used for economic purposes, but in reality it will go over to Gen. Chen Ching-tang as war expense, and besides it has an important bearing upon the independence movement of Fukien. It is even reported that part of the money will be given away to the 19th Route Army. Britain's intrigue in southern China is keenly watched.

***

British Professor Writes Inflammatory Book About Japan

Reuter's correspondent at Tokyo, Dec. 14, branded as a publicity hoax a book entitled, "The Menace of Japan," by Professor T O'Conroy, late of Keio University in Tokyo, and published by Messrs. Hurst & Blackett, London. The foundation on which Professor O'Conroy built his publicity was centered on his wife, who is a Japanese, whom he took to Europe some years ago and then allegedly deserted. She is now assisting in running a hot milk and bun shop in Tokyo. Conroy's statements are of a provocative nature calculated to cause ill-feeling between the Japanese and the English, although this feature is largely lessened by the obvious exagerration inherent in his statements.

***

Tyler Dennett Confuses two Uchidas in "Current History" Article

The Japanese Foreign Office Dec. 8 by cable to New York sought redress from the New York *Times* Company, publisher of *Current History*, for a "flagrant misquotation" of Foreign Minister Hirota through attributing to him statements made by Ryohei Uchida, president of the ultra-conservative Japan Production Society. Consul-General Kensuke Horinouchi in New York was instructed to demand a suitable retraction from the New York *Times* Company and to obtain a retraction and apology from Dr. Tyler Dennett, the author of the article. It is alleged that the author of the article, who holds the chair of international relations at Princeton University, confused the unofficial Mr. Uchida with Count Yasuya Uchida, Mr. Hirota's predecessor as Foreign Minister, and then, by some quirk of the professorial mind, put into the mouth of Mr. Hirota words that he never spoke.

***

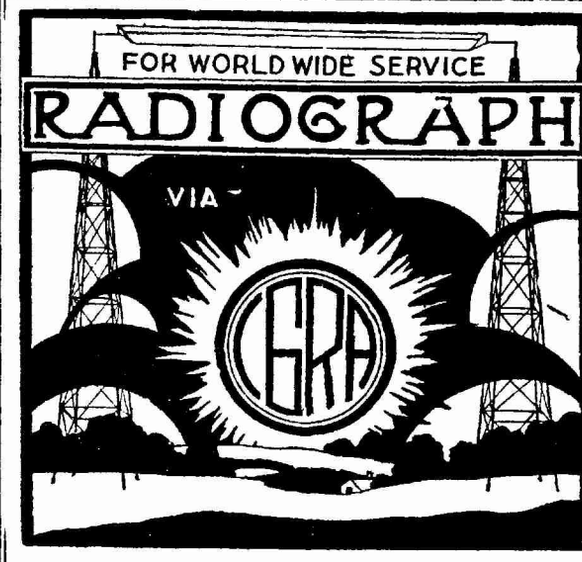
Hawaiian Customs Seize Inflammatory Japanese Magazine Supplement

The Japanese magazine *Hinode* (Rising Sun) in a recent issue included a supplement describing in apparent fiction form a future war between Japan and the United States, all of a nature to inflame Japanese residing abroad, and particularly such as live under the American flag, as for example in Hawaii, where they form by far the largest racial group. Out of a total population of 368,335, the Japanese number 139,631, more than half of whom are registered as American citizens. Ships sailing out of Yokohama of late, notably the Dollar liner *President Taft* and the N. Y. K. *Chichibu Maru*, have been used as vehicles to carry this Japanese propaganda to Hawaii. When the latter vessel arrived at Honolulu Dec. 13, 73 cases of Japanese magazines were examined and the offending pamphlets confiscated. Lurid pictures described the Japanese and U.S navies in combat. The execution of a Hawaiian-born Japanese for being a traitor to Japan was described in minute detail.

***

Japanese Prince Shoots Fellow Student in the United States

Following a debate in a university class-room, in Vermillion, South Dakota, Dec. 15, Prince Yukishi Yoshida, a student in said institution drew a revolver and shot and wounded a fellow student, an American named McCann. Prince Yoshida explained in court next morning that his act was due to the difference existing between oriental and occidental customs. He said he fired his revolver during a heated discussion, in the course of which McCann made him lose his self-control.



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Kwantung Army Will Take Over S. M. R. Next Year

The South Manchuria Railway Company will cease to exist as such next year, when a new company is to be incorporated upon reorganization of the S.M.R., sponsored by the Kwantung Army, according to a *Nippon Dempo* report from Changchun The company that will replace the S M.R organization is to be called the Manchuria Industry Company, Ltd. (Manshu Sangyo Kabushiki Kaisha.) The new company will be capitalized at Yen 800,000,000, with dividends limited to 8 per cent per annum. Since the new organization will lead industrial exploitation plans for Manchukuo under control of the Kwantung Government, its president will be chosen from among the foremost Japanese statesmen or businessmen. Count Hirotaro Hayashi, president of the S.M.R., will not become president of the new company.

After prolonged deliberations a complete agreement was reached Dec. 13 between the high officials of the South Manchuria Railway Company and the leading military officers of the Kwantung Army regarding the proposed plan for a sweeping reorganization of the South Manchuria Railway Company. The draft reorganization plan has been referred to Toyko for confirmation.

A Tokyo message Dec. 18 stated that the final decision on the proposed reorganization of the South Manchuria Railway Company has been referred to the central authorities by President Hayashi of the S M.R., who arrived in Tokyo a recently from Dairen. The War Office authorities will hear reports on the reorganization plan from a representative from Changchun where the plan was given approval by the Kwantung Army and the S.M.R., and then re-examine the contents of the plan.

In an interview with Count Hayashi and Mr. Hatta, President and Vice President respectively of South Manchuria Railway Co., in Tokyo December 17, Overseas Minister Nagai frankly expressed his opposition to the reorganization plan.

Finance Ministry Not Yet Convinced

The S M. R. reorganization scheme is likely to encounter oppostion from the Finance Ministry. Finance Ministry quarters are inclined to be opposed to the reported draft reorganization plan as prepared by the Kwantung Army Headquarters principally for financial reasons, asserting that the proposed idea of changing the present Company into a holding company totally disregards the essential financial considerations. Finance Ministry circles feel that the proposed scheme may result in obstructing the smooth flow of the capital which is needed for the economic exploitation of Manchuria for the reason that it shuts off the interest of a large number of Japanese investors in economic enterprises which are now operated in the name of the South Manchuria Railway Company.

Building Boom in Manchukuo Capital

Changchun during the past year experienced the greatest building boom since its establishment over two decades ago. During the first eleven months the year, a total of Yen 14,191,800 was spent in building operations within and outside the railway zone, of which Yen 6,892.800 was for the construction of the Government buildings, and official residences. This latter figure does not include Yen 1,679,000 worth of building materials obtained for the government properties.

Harbin-Lahua Railway Opened to Traffic

The 272 kilometres of railroad connecting Harbin with Lahua on the Changchun-Tumenkiang railway, was opened to traffic Dec. 16. This new line runs from Lahua, a point about mid-way from Kirin and Tunhua to Harbin, where it connects with the Hulan-Hailun Line by means of a new bridge over the Sungari River. The northern terminus of the line, in turn, is connected to the Tsitsihar-Koshan Railway. It connects North Manchuria with the Sea of Japan. It is predicted that owing to the opening of the present railway system, C. E. R. will experience a drastic decrease in its annual revenue.

Liu Tien-hao, who is alleged to be agent of the Tsingtao "Country-Saving Union" of China, was arrested in a Chinese shop in Dairen Dec. 13. Liu is alleged to have exchanged for local Japanese currency $5 notes of the Central Bank of China stamped with anti-Japanese slogans. According to the Dairen police, Liu confessed to having brought to Dairen scores of slogan-stamped Nanking bank notes. A number of $10 notes of the Central Bank of China inscribed with anti-Japanese slogans are also in circulation in Dairen.

A recent Changchun message stated that the revenues of the Government have been steadily increasing since the commencement of its first fiscal year in 1932 owing to improving financial and industrial conditions throughout Manchuria. A five-year program for modernization of the internal tax system, inaugurated last month by the reduction and unification of the foodstuff tax, is to be followed by a second tax revision.

Soviets Warn Manchukuo Against C.E.R. Encroachments

In a statement addressed to the diplomatic agent of Manchukuo, Shih Liu-peng. Dec. 17, M. Slavutsky, Soviet Consul General at Harbin. said that lately the work of the Chinese Eastern railway has been impeded by constant violations of the rules of railway exploitation, repeated raids on trains, destructions of the track, murders and mishandling of railway employees, seizures and damaging of the property of the railway, and unfortunately, the Manchurian authorities not only did not and do not take adequate steps to assist and properly defend the C.E.R. but have directly participated and participate at present in the violation of the interests of the C E R and of the rights of the U.S.S.R regarding the C E.R. Mr. Slavutsky also said that in their unlawful activities the Manchurian employees use the assistance of police which. ignoring the protests of legitimate representatives of the railway management, have been carrying out a number of arbitrary actions, eliminating the lawfully appointed employees by means of arrests, and introducing the unlawfully appointed Manchurian employees who misappropriate the rights of chiefs of railway sections.

The Consul General's protest was in the nature of a grave warning to the Manchukuo Government. The Soviets had previously made many representations to Manchukuo officials but this was the first direct warning. Manchukuo will be held strictly responsible. the official memorandum declared, for all damages to the railroad. Following closely on the heels of a similar protest filed last week by the Soviet Consul General in Habarovsk. the Soviet Government protested the arrest of a number of Soviet employees by Manchukuo railway polic These men were arrested, it was charged. in an attempt to upset the Soviet Union's Railway organization in Manchuria. The Habarovsk Consul General had protested the arrests and demanded freedom of the prisoners He had also protested the appointment of a Manchurian as manager of the Chinese Eastern Railway declaring such action was inviolation of the existingtreaties.

Operation of the Chinese Eastern Railway may be discontinued within a month unless Manchoukuo and Soviet officials of the railway come to an agreement over the purchase of coal for the locomotives, a recent message from Harbin stated.

Soviet Citizen Beaten

The manager of the Chinese Eastern Railway, M. Rudy, Dec 13 despatched a representative to Buhedu station to investigate the beating of a Soviet citizen named Markovskih by a Japanese adviser named Sato.

The Soviet government Dec. 13 passed a decree destined to encourage colonization of the Soviet territory of Saghalin Island. The salaries of the new settlers would be raised by 50 percent according to the new decree, and the farmers would be exempt from taxes during the next decade.

Russia Keeps Huge Force in Siberia

A recent *Reuter* message stated that it is believed in London that Russia has 250,000 troops on the Amur border and 450 airplanes at Vladivostock and Nikolsk, including 40 heavy bombers. Russia's non-aggression pact with Poland and her rapprochement with France are cited as being calculated to free her hands in the Far East.

M. Constantin Yurenev, Soviet Ambassador in Tokyo, entertained the Japanese Foreign Minister, Mr Hirota, Vice-Foreign Minister, Mr. Shigemitsu, Mr. Togo. chief of the America-Europe Section of the Foreign Office and Mr. Amou, Chief of the Intelligence Buteau of the office, at a dinner party given at the Soviet Embassy Dec. 15.

Who's Who in China

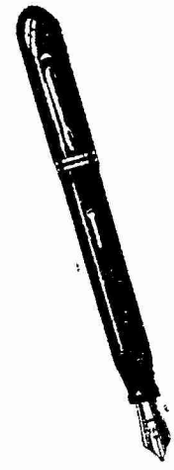
Liu Shih Shun, Government official; native of Ifeng, Kiangsi; born at Hsiang-hsiang, Hunan, 1900; graduate, Tsing Hua College, 1920; A. B., Johns Hopkins, 1921; graduate student, Michigan, 1922-23; A. M. Harvard, 1923; Ph. D. Columbia, 1925; Fellow in International Law, Carnegie Endowment for International Peace, 1921-23; Professor, Tsing Hua University, 1925-27; Member, Treaty Commission, Ministry of Foreign Affairs, 1927-28; Senior Member of the same Commission, 1928-30; Acting Counsellor, Ministry of Foreign Affairs, 1929-30; Counsellor, Ministry of the Interior; member, Legislative Yuan, 1930-32; Adviser, Ministry of Foreign Affairs, 1930-32; Acting Director, Department of International Affairs, 1932; Director, Department of European and American Affairs, Ministry of Foreign Affairs, since 1932; Professor of International Law, National Central University, since 1929; Lecturer on International Law, Central College of Political Science, since 1932; author, *Extraterritoriality: Its Rise and its Decline*, 1925; address: Ministry of Foreign Affairs, Nanking.

Liu Shih-shun
劉師舜字琴五

劉師舜，字琴五，江西宜黃縣人，年三十四歲，清華學校畢業(一九二〇)，美國約翰霍金森大學學士(一九二一)，哈佛大學碩士(一九二三)，密歇根大學研究院肄業(一九二二至二三)，哥倫比亞大學哲學博士(一九二五)，曾得卡尼基世界和平基金會國際公法獎學金兩年(一九二一至二三)，著有領事裁判權制度興廢論(英文一九二五年在美發行)領事裁判權問題(十八年外交部條約委員會發行)等等，歷任國立清華大學教授(一九二五至二七)，外交部條約委員會委員(一九二七至二八)，外交部條約委員會專任委員(一九二八至三〇)，署外交部參事(一九二九至三〇)內政部參事(一九三〇)，立法院立法委員(一九三〇至三二)，外交部顧問(一九三〇至三二)，代理外交部國際司司長(一九三二)，外交部歐美司司長(一九三二)，國立中央大學國際公法教授(一九二九)，中央政治學校國際公法講師(一九三二)等職。寓南京大石橋新安里十二號。

Death Sentence for "Dog Killers" Imposed by Kiangsu High Court

Convicted on 11 counts of political assassination charges, five confessed members of the communist assassins' group known as the "Dog-Killing Corps" were sentenced to death at the Second Branch of Kiangsu High Court Dec. 4. A woman, convicted of having carried firearms for the gang, was sentenced to three years imprisonment. The seized firearms were ordered confiscated. The prisoners were arrested on November 6 by the Settlement police upon request of the Bureau of Public Safety. According to the charges on which they were convicted, they jointly or separately killed Wong Yung-hwa, a Nanking secret agent, and his bodyguard at the Sun Sun Hotel on August 25. Wong was descending in the elevator when the gunmen fired several shots and killed him. The bodyguard also was killed in the shooting.



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Men and Events

Note to the Reader.—Owing to pressure of space the conclusion of the article on "How Rural China Is Being Remade," by Edgar Snow, is being held over uutil next week.

Dr. W. W. Yen, Ambssador to Moscow, is due to leave England shortly for Italy via France, and will embark for China from Rome on Jan. 10.

M. Wilden, French Minister to China, sailed from Shanghai Dec. 16 aboard the French liner *Felix Roussel* for France on a six-months holiday.

Bruce J. Miles, representative of General Motors, Inc., arrived in Shanghai last week and is staying at Cathay Mansions. He is accompanied by Mrs. Miles.

Frank Oliver, who has had charge of *Reuters* office in Peiping, arrived in Shanghai this week and will assume charge of the editorial department of the service here.

After several months of suspension, negotiations for the settlement of the extra-Settlement Shanghai roads question are likely to be resumed shortly, according to the *Sin Wen Pao*.

Wu Ching-yuan, famous young Chinese chess player, has become a naturalized Japanese, according to Peiping Chinese press reports. Mr. Wu is a native of Fukien and is still in his early twenties.

Among the pictures accepted for the Paris Salon Annual Exhibition this year, is a landscape by Miss Maime Sze, the gifted daughter of the Chinese Minister at Washington and Mrs. Sze.

Provisional resolutions to increase the capital to $12,000 000 were confirmed by the shareholders of the Shanghai Cotton Manufacturing Co., Ltd. at an extraordinary meeting held Dec. 15.

Washington newspapers of Nov. 15 relate that Mme Sze, wife of the Chinese Ambassador, recently replenished the supply of tea at the White House, which had inadvertently been allowed to run out. Madame Sze presented Mrs. Roosevelt with 300 pounds of best Fukien tea as a Christmas present.

Regulations adopted by the Legislative Yuan at Nanking, Dec. 16 bar old-fashioned Chinese doctors from practising unless they have passed examinations given by the central or local authorities.

The burial of the late General Chang Shao-tseng, former Premier who was assassinated in Tientsin in 1927, will took place in the Western Hills near the Temple of the Sleeping Buddha, Peiping, Dec. 13.

A conflict for the control of Chinese gambling restaurants in Montreal, Canada, led to rival Chinese tongs staging a pitched battle in said city Dec. 14 as a result of which three men were seriously injured.

Hachiro Arita, former Japanese Vice-Minister for Foreign Affairs and newly-appointed Ambassador to Belgium, arrived in Peiping, Dec. 14 from Jehol by air. He is making a tour of Manchuria and China.

The Chinese military mission headed by General Yang Chieh, chief of the Nanking Military School, was received by Signor Mussolini in Rome, Dec. 12. The mission is making a tour of Italy, France and Great Britain.

The Nanking Foreign Office has been formally notified by the British Legation in China that, pending the arrival of the new British Minister to China, E. M. B. Ingram will be in charge of the affairs of the Legation.

Bishop Logan H. Roots and Dr. Herman Chenen Liu attended the United Foreign Missionary Conference which met in Kansas City, Missouri on Nov. 26 and 27. The Conference was headed by Dr. E. Stanley Jones.

Yakichiro Suma, First Secretary to the Japanese Legation in Shanghai has been appointed Japanese Consul General at Nanking. He will remain in Shanghai and will continue to act as First Secretary of the Legation.

Lieutenant-General Matsuki, who participated in the Manchurian and Shanghai incidents as Commander of the 14th Division, will be made a full general on the occasion of the regular "shake-up" of the Japanese army Dec. 24.

Prince Tokugawa, President of the Japanese Senate and also of the Japanese Red Cross, arrived in Brussels, Dec. 16 to confer concerning the 15th conference of the International Red Cross which is being held in Tokio in October 1934.

General Wu Te-chen, mayor of Greater Shanghai and concurrently garrison commander of Shanghai and Woosung Areas Dec. 14 announced the appointment of General Hsu King-yuan as chief of staff and Kan Hai-lan as chief adjutant for the Lunghua headquarters.

Beginning Jaunary, 1934, all motion pictures sent to Nanking for examination by the Film Censorship Board jointly organized by the Ministries of Interior and Education must be accompanied by copies of advertisements, the board ruled it a meeting held in Nanking Dec. 2.

Nelson T. Johnson, United States Minister to China, on returning to Peiping Dec. 15 after six weeks tour of the coast, stated that he was deeply impressed with the signs of progress he had observed, particularly as regards the streets, buildings and parks in Canton, and elsewhere.

Major Eward P. Howard, formerly stationed in Shanghai as attache of the aviation branch of the U. S. Department of Commerce, returned with Mrs. Howard from the United States Dec. 19. He is now factory representative for the Douglas Aircraft Company and Northrop Corporation.

A reduction in telegraph charges as from January 1, 1934, was announced by the Ministry of Communications, Dec. 13. The reduction includes urgent telegrams, which instead of being charged three times normal rates will hereafter be charged only twice as much as ordinary messages.

Five European corporals and three European seamen involved in the mutiny aboard the Netherlands cruiser *De Seven Provincien* last year were sentenced, respectively, to 16, 12, 10, 8 and 1 years imprisonment, and the sailors to 8, 4 and 1½ years respectively in the Sourabaya Courts Dec. 14.

Edwin S. Cunningham, U. S. Consul General, accompanied by Mrs. Cunningham, departed from Shanghai on the Dollar liner *President Hoover* Dec. 18 to spend a vacation in the Philippine Islands. Mr. Cunnirgham is expected back shortly after the New Year; Mrs. Cunningham several weeks later.

Chinese ham-packing establishments are urging the Nanking government to make representations against the ban recently imposed on the import of Chinese ham into the Philippine Islands. The Chinese claim that the real motive for the ban was to favor American ham interests and not, as alleged, on sanitary grounds.

The new British gunboat *Robin* is shortly to be shipped in sections from England to Shanghai. She will be re-erected here and commissioned for service on the Yangstze. The *Robin* was laid down on April 8 last by Messrs. Yarrow and Co at their Scotstoun works, and is the seventh British river gunboat to be built since the War.

The New York *Times* of October 18 contained an advertisement headed "He played ball with hand grenades!" The announcement referred to General ("One-arm") Sutton, former adviser to Marshal Chang Tso-ling in Manchuria, whose adventures were being featured as a radio thriller to advertise a large fur dressing establishment.

Mrs. Betty Keen, wife of Victor Keen, correspondent for the New York *Herald Tribune*, returned to Shanghai this week from a trip around the world which included several months in Europe and the United States. Mrs. Keen will now assume charge of the local office of the *Herald-Tribune* while her husband takes a trip to the United States.

The *Idzumo*, flagship of the Japanese Third Fleet which went south sometime ago accompanied by two destroyers to pay an official visit to the Japanese Naval Base at Mako, in Formosa, returned to Shanghai December 21. The Japanese Training Squadron under the command of Vice-Admiral Matsushita arrived in Shanghai from Tsingtao Dec. 19.

The trial of the pirates of the *s.s. Sheng An* (Captain Hugo Taudien and his four companions) commenced before the Dairen District Court, Dec. 14. Counsel for the defence, Mr. Matsumoto, contended that, under Japanese law, the Kwantung Government had no right to try the prisoners, on the ground that their victims—three Europeans and seven Chinese—were all foreigners.

The Peiping Municipal Government has issued an order to the Peiping Eletric Light Company, instructing it not to charge its customers for the use of meters beginning next January 1. This came as a sequel to the recent decision of the Peiping District Court that the company has no right to require local consumers of electricity to pay a monthly sum for the use of eletric meters.

Hubert S. Liang, of the National Committee of the Y.M.C.A. of China, who returned to Shanghai Dec. 18 from an extended tour to the United States, Canada and Europe, studying world conditions at first hand, states that the international sky is more threatening now than before 1914. In Mr. Liang's opinion a new world war is in the making and will in all probability start in the Far East, that is, between Japan and Soviet Russia. "It is an open secret," said Mr Liang "that both Japan and Russia are preparing for war."

The China Institute of International Relations in co-operation with the China Committee of the China Institute in America and Shanghai Women's Club Dec. 14 gave a tea party in honor of Mrs. William Bush, founder and director of the American Friends of China, Society in Chicago, at the residence of the H. L. Cheng Mrs Bush is now traveling in China with her daughter.

Four men entered the residence of Captain Laurence Impey, Peiping correspondent of the *London Daily Mail*, early on the morning of Dec. 16, and when the servants tried to resist the intruders, the men attacked the head boy with an axe, cutting his skull open. Upon the arrival of the foreign inmates of the home one of whom was struck and badly bruised about the arms, the men took to flight. The motive for the attack is unknown.

The Department of Reconstruction Dec. 6 announced the opening of an office in Kwangtung to regulate the sale of wolfram ore. Purchasers must henceforward apply direct to the office, while export permits for wolfram (tungsten) must be obtained from the Reconstruction Department. The Government has put wolfram mining under state control, owing to the fact that wolfram ore is used largely in the manufacture of ammunition.

Commissioner Henry Mapp of the Salvation Army departed from London on December 14 on a four-months' tour of the Far East. The Army is extending its present work in North China throughout South China. One of Commissioner Mapp's duties will be to visit Manchukuo to arrange the future work of the Army there, which is at present controlled from the headquarters at Peking but of which the Japanese headquarters desire to take over the responsibility.

A collection of Sogdian manuscripts was recently found in Tajikistan by shepherds near the ruins of an ancient castle. Twenty manuscripts were written in the Sogdian language, one was in Chinese. Thirteen are written on leather the rest on paper. A *Tass* message from Stalinabad says the ruins of this ancient castle have a singular scientific value, as all the Sogdian manuscripts known to science had been found so far only in China and nearly all of them are in Paris and London.

Ten Northern Kuomintang organizations have addressed a joint telegram to the Central Executive Committee of the Kuomintang in Nanking, urging the Government to effect the arrest of Yi Pei-chi, former Director-General of the Peiping Palace Museum, as soon as possible. The Nanking Higher Court recently issued a warrant for the arrest of Mr. Yi on charges of corruption brought against him by Madame Chang Chi, wife of a member of the Central Supervisory Committee.

Telegrams from Tokyo early in the week indicated that Hiroshi Saito, at present Japanese Ambassador at the Hague, would be appointed Minister to the United States in succession to M. Debuchi. Toshihiko Taketomi, Councillor to the Japanese Embassy in Washington, is to be elevated to a Minister Plenipotentiary and fill the post to be vacated by Mr. Saito in Netherlands. Renzo Sawada, Councillor to the Japanese Embassy in Paris, will be appointed Japanese Consul-General at New York.

Dr. Joseph Ralston Hayden, new Vice Governor of the Philippine Islands, passed through Shanghai Dec. 19 on the Dollar liner *President Hoover* enroute to Manila. Dr. Hayden has been prominent in the United States in connection with insular matters, frequently speaking and writing on subjects connected with the Philippines. Due to the late arrival of the steamer Dr. Hayden was unable to attend a banquet given by the University of Michigan the previous night in his honor. While here Dr. Hayden attended the convocation at Shanghai College.

Flour Mill Owners Ask Exemption from New Tax on Wheat Cargoes Afloat

Representatives of Chinese flour mills in Shanghai, Wusih, Changchow, Chinkiang, Nanking, Taichow, Yangchow and Tsinkiangpu proceeded to Nanking during the week and petitioned the Executive Yuan and the Ministry of Finance for exemption from import duties on 19 shipments of wheat which they ordered from the United States, Australia and Canada before the impostition of the new levy of G. U. 0.30 per picul which went into force Dec. 16.

The first shipment of American wheat totalling 8,940 tons covered by the U.S. $50,000.000 cotton and wheat loan from the United States, arrived in Shanghai on the *Olivebank* Dec 18, delayed by fog. This shipment was freed from the new import tax on the ground that the shipment was scheduled to arrive here on Dec. 11, by which date the new tax had not been imposed.

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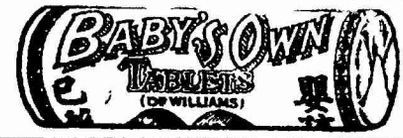

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New Books of Interest in the Far East

The Tragedy of Labor in China

Facing Labor Issues in China, by Lowe Chuan-hua, with introductions by Chen Kung-po, Minister of Industry in Nanking, and Julean Arnold, American commercial attache in China; published by the China Institute of Pacific Relations, Shanghai.

Labor Movement and Labor Legislation in China, by Lin Tung-hai (Jefferson D. H. Lamb), with a foreword by Chen Kung-po; published by China United Press, Shanghai.

Labor studies, like programs for labor uplift, have been very much neglected in China ever since 1927, wherefore every student of economics will turn more or less hopefully to these volumes because they are the first of their kind in a long time. For a Chinese writing publicly under his own name to deal entirely forthrightly with such a delicate and often Red-tinted subject as labor under existing political conditions is not to be expected, but when we are aware in advance of certain inhibitions we can read accordingly. Consequently both these books possess considerable value. That of Mr. Lin, who is advisor to the Nanking Minister of Industry, is longer, better written, and far more splendidly printed and bound than Mr. Lowe's volume, but Mr. Lowe's paper-covered offering is infinitely the superior in the presentation of mordantly tragic facts.

Mr. Lowe, who is industrial secretary of the national committee of the Y.M.C.A., starts off with an amazing chapter entitled "The Economic Panorama in China." Most of it is compilation rather than original investigation, but it is not thereby rendered any the less effective. Franklin Ho is cited as estimating that there are six times as much cultivable land and nine times as much cultivated land in the United States as in China. Professor J. Lossing Buck, of the University of Nanking, reports the average China farm is a little over five acres and has to support an average family of 5.7 persons. Outside of Manchuria there is not enough food produced to support the population although China is overwhelmingly agricultural. Using $250 (Shanghai currency) as the amount of an average family budget, Yu Tien-hsiu estimates 95% of China's total population is living below the poverty standard.

The International Family Relief Commission, with the aid of the Peking Union Medical College, in 1922 reported that the simplest livable standard cost U.S.$75 a year, which was three times more than most farmers in North China made. Henry S. T. Liu found 17 different kind of taxes on farmers in the "Model Province" of Shansi which totaled over three times the average farmer's income. The average monthly wage of a female industrial worker is $15 (Shanghai currency) a month; that of a male worker, $20. In 1930, Professor H. D. Lampson, of the University of Shanghai, found that Shanghai workers received about half the sum required for a minimum standard of living which included neither education nor savings.

Mr. Lin's opening has far less to do with Celestial realities; instead he devotes himself to a kindly and liberal discussion of the development of capitalism in western countries. In the same mellow mood, he then recounts the history of the Kuomintang and its fine pledges of labor betterment. Finally, however, he comes down to earth with the admission that "on the whole it may be said that prices have steadily risen between 1927 and 1930. while wages have declined." But immediately afterward, he opines that the worker's right to strike "is regulated with a view to protect the workers' best interests." Later, he cities that all labor unions are under government (that is, Kuomintang) supervision, but if the reader took him literally, it would be assumed that the unions were genuine organizations of labor and supervised merely as a loving father supervises his favorite child.

Mr. Lowe is less naive. "Some unions," he says, "are entirely run by individuals or small groups of individuals, such as the 'green' and 'red' gangs in Shanghai. In many parts of the country the Kuomintang branches merely utilize their control of labor unions for their own selfish purposes, and have shown very little progress in aiding labor to improve its economic condition." These statements could be much more sweeping without any loss of accuracy; in fact, it is exceedingly doubtful if there is one genuine labor union of any appreciable potentcy in all of China today. The last was probably the Commercial Press union which the Japanese destroyed in taking Chapei.

Both Mr. Lin and Mr. Lowe waste much space on Chinese labor laws and grow somewhat tearful over the fact that foreign powers will not allow them to be enforced in the International Settlement of Shanghai. But after considerable circumlocution, both authors admit the laws are not being enforced anywhere. First Mr. Lowe says they "are being enforced by the authorities as effectively as circumstances in different parts of the country permit," but several pages later he declares the government "*should live up to its promises*" and enforce the regulations. (The italics are the reviewer's.)

In this instance, Mr. Lin is slightly more forthright. He says that "the only law among the recent legislative enactments that has been effectively enforced is the Conciliation and Arbitration Law (to settle strikes) which was promulgated on June 9, 1928." He forgets to add the significant fact, however, that this law is chiefly enforced in China's principal industrial city—Shanghai—by a super-Al Capone who lives south of Avenue Edward VII. He also neglects to mention that except possibly in some minor instances, no Chinese workers have ever gained anything of appreciable importance from any strike or threatened strike in five years, although his own previously cited admission that prices have gone up while wages have declined is bitter proof of this statement.

Of course, China is not the only country in which labor laws are dead letters. This reviewer well knows from his personal experience as a merchant marine seaman how the LaFollette's Seamen's Act in the United States is blithely ignored by practically every ship under the American flag. But generally western labor laws have mitigated labor conditions a bit, while the only application of the Chinese factory act that this reviewer can recall has been in Canton to prevent foreign oil refineries from operating,—not in the interests of Chinese laborers, but to aid Chinese capitalists.

Both Mr. Lin and Mr. Lowe come to liberal and optimistic conclusions that this reviewer cannot share. Mr. Lin sees the possibilty of "industrializing China without at the same time introducing those evils which afflicted early industrialism in the West!" Alas, all the evils of early western industrialization, and more, have already been introduced and are flourishing unchecked. Mr. Low's finale exudes more hope than expectation, but how it is possible even to hope is difficult to understand. China's resources are so out of proportion to her population that little improvement appears possible under any social system. A 100% increase in the standard of living of many millions would still mean a standard that could properly be described as sub-human. Today, in fact, a large part of the exploiting class in China live on a far lower standard than employed linotype operators and others regarded by Marxians as exploited in the United States. Perhaps sometime a new day will dawn for Chinese labor, but now only the present black and tragic night appears ahead.

W. B.

A Compendium of Chinese Legends

Outlines of Chinese Symbolism and Art Motives: An alphabetical compendium of antique legends and beliefs, as reflected in the manners and customs of the Chinese; By C. A. S. Williams. Second revised edition; Kelly and Walsh, Ltd. 1932 Pp. 458.

The cultural interest in China among the foreign staff of the Chinese Maritime Customs Service is proverbial and Mr. Williams has upheld this glorious tradition ably in his works. His contribution is appreciated among the professional sinologists and the French Academie des Inscriptions et Belles Lettres has conferred on him the Stanislas Julien Prize in 1922. As the author has stated, the interesting study of Chinese symbolism has not been undertaken systematically hitherto. I may add here however that Leon Wieger in the last part of this "Histoire de la philosophie chinoise" has discussed also in detail the influence of novels and dramas on popular Chinese beliefs, a source which Mr. Williams appears not to have

utilized. Of course in recent years Chinese scholars also begin to take interest in this field, notably under theinfluence of such literati as Kiang Chao Yuan (江紹原) and Chow Jo Jen (周作人) who quote Sir James Frazer's saying that the col ection of popular beliefs and customs is far more urgent than the exploration of South Pole. To the foreign reading public Mr. Williams' book will provide not only an aesthetic interest but also practical help to the "artists, designers of costumes and upholsteries, collectors of oriental curios, advertisers of imports and exports, etc."

Under ihe article "Toad" the author mentions that the spawn of the frog is believed to fall from heaven with the dew and hence the frog is called the "heavenly chicken" (天鷄) The author evidently made a mistake here, for the Chinese call the frog as "field chicken" (a verbal translation of 田雞, so Mr. Williams misread Dien for Tien). Under the article "Grape" the author mentions that this fruit is sometimes used in art motives as a border pattern, and the design of the "sea-horses and grapes" is said to be derived from Greece. The question of Hellenic influence in Chinese art is most fascinating and has been discussed by Le Coq. I may mention in passing that the Chinese word for grape, 葡萄. is really derived from the Greek "botrys" while the Chinese word An Shih Liu (安石榴) for pomegranate as mentioned by the Chinese scholar, D. S. Hsu (許地山) in his study of Sanskrit influence on Chinese drama, is from Sukavallabha. Mr. Williams will enrich his account of Chinese birds perhaps by referring to the Chinese book "Birds and Literature" (written by 賈祖璋: 鳥類與文學) which gives a most interesting account of the literary legends connected with them. We are grateful however with the rich collection of items which the author has already collected.

WANG HSI MING.

Tsing Hua University, Dec. 3, 1933.

Recent Pamphlets Received

The Nov. 8 issue of the *Foreign Policy Reports* discusses the work of the London Economic Conference.

The *Lingnan Science Journal* (Canton) for October contains a discussion of the effect of various illuminations upon the silkworm during its growth, contributed by L. A. Waitzinger, formerly associate professor of sericulture and director of genetic research, at Lingnan University. This is but one of many valuable articles of scientific interest contained in the 160 pages of the *Journal*.

The American Council on Pacific Relations has published a brochure by Ping Chia Kuo on "Canton and Salem," being Part III of a series on "Some Oriental Influences of Western Culture." Salem, Massachusetts, is known in history mostly because it burned witches, but its real importance in American Colonial history was that it was the pioneer port in developing trade with China, just as Canton was the pioneer commercial port in China. The general theme of the brochure is the impact of Chinese culture upon New England in the period after the Revolutionary War. The same author has prepared a treatise on "Caleb Cushing and the Treaty of Wanghia."

A handsomely-illustrated calalogue has been compiled by Simon Harcourt-Smith of various clocks, watches, automata, and other miscellaneous objects of European workmanship dating from the 18th and early 19th centuries in the Palace Museum and the Wei Ying Tien, Peiping. The general public is probably not aware how fond the Chinese in all ages have been of clocks or other timepieces. Matteo Ricci secured Imperial favor in 1599 mostly by a gift of clocks. In the reigns of K'ang Hsi and Chien Lung clocks in great numbers flowed into the Palace from the West, together with scientific instruments and mechanical toys. Most of these treasures have been preserved in excellent condition. They are fully described in this calalogue, which is for sale by the Peking Union Book store.

The Netherlands Harbor Works Co. of Amsterdam, Holland, who are the contractors for Hulutao harbor, have issued a handsomely illustrated calalogue covering their operations not only in China but in many other parts of the world.

The November issue of the *Annals* of the American Academy of Political and Social Science is devoted to a discussion of Social Insurance.

The November issue of *International Conciliation*, a monthly journal issued by the Carnegie Endowment for International Peace, is devoted to a discussion of War Debts, by Harry D. Gideonse and Irving Brant.

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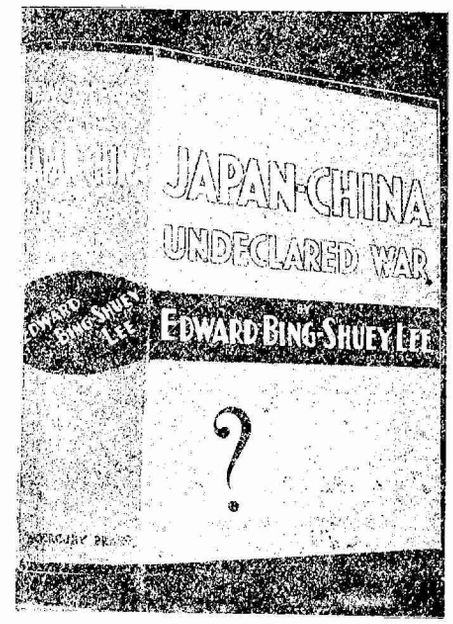

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CHINA WEEKLY REVIEW

38 Avenue Edward VII

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Notes on Progress of Reconstruction in China

The third meeting of the Standing Committee of the National Economic Council will be held Dec. 30. According to Chin Fen, Secretary-General of the Council, Tseng Yung-pu, Chekiang Provincial Commissioner of Reconstruction, still declines to take up the post of Chairman of the Silk Control Committee. Ko Cheng has been designated Chairman of the Mining Control Committee, which will shortly be established. To develop the North-west, a Sian Branch of the N. E. C. will be established, with Liu Chinshan as Director.

It is reported that negotiations for a loan of $5,000,000 from Chekiang banking circles for the construction of an iron bridge over the Chien Tang Kiang (River) will soon be concluded.

Plans are on foot to build an iron bridge across the Grand Canal at Lintsing, near the Shantung-Hopei border in north-western Shantung, as the Shantung authorities desire to improve communication facilities with Hopei province.

In accordance with the recommendation of General Chiang Kai-shek, the Executive Yuan, in an order to the Municipal Government of Greater Shanghai, Dec. 14 instructed that a public granary be established within a period of one week. Grain is to be purchased by the Municipal Government for storage so as to alleviate the plight of the farmers.

The construction of the railway between Hangchow and Yushan has been completed. The first through train from Hangchow to Yushan was run on December 20. The formal inaugural ceremony of the railway will be held on December 28.

The Kueichow-Kwangsi Inter-Provincial Highway was completed last week. A trial run on the new route proved very satisfactory. Arrangements are being made between the Highway Reconstruction authorities of the two provinces for the inauguration of a long-distance omnibus service on the new road.

A delegation representing the six match factories of Tientsin called at the City Party Headquarters and the Bureau of Social Affairs recently to petition for measures to rehabilitate the match industry. The local authorities promised to transmit their petition to the Central authorities.

In reply to a petition of the National Match Manufacturers' Association against the establishment of a match factory at Tsingtao by certain Russian interests, the Tsingtao Municipal Government states that no official reports about the Russian project have been received by the Municipal authorities. However, should such a proposal be made to the Tsingtao Municipal Government, the message states, it would be rejected.

China's Unfavorable Trade Balance

Commenting on China's unfavorable foreign trade returns, which may amount to $900 millions excess of imports over exports by the end of the current year, the *Sin Wen Pao* urges that in order to save the nation from economic bankruptcy, measures should be devised immediately to counteract foreign dumping on the native market. Besides Japan and the United States, Soviet Russia does a large amount of trade with the Chinese. Steps should therefore be taken to readjust Sino-Soviet trade relations Due to her program of industrialization and her policy of dumping vis-a-vis foreign trade, as well as to her extraordinary political system and her State control over domestic industry, Soviet Russia has been able to maintain very close trade reletions with China. The *Sin Wen Pao* urges that, in order to save China's domestic industry from unfair competition, the Government must decide upon a fundamental policy vis-a-vis Soviet trade.

A Suggestion to Use Tariff Revenue as Relief Fund for Farmers

The Shanghai *Min Pao* comments: "The new higher tariff might have been a help to Chinese rice if it had been imposed before the autumn harvest. But to have such a tariff imposed after the harvest lessens its effect. The farmers have now reaped their harvest and must dispose of their products in order to repay their debts and pay their rent. However, the new tax will benefit Chinese agricultural enterprises According to the new tariff schedule two Chinese dollars will be levied on every 100 catties of foreign rice. This tax will at least prevent foreign rice from selling at a very low price and naturally it will prevent Chinese rice from selling more cheaply. It is our opinion that financial circles in the country should help the farmers in order to enable them to recover their previous losses and again place them in a position to be more productive. The best method would be to set aside a portion of the funds raised from the higher tariff on foreign rice as a relief fund for the farmers."

Owing to the Government's financial difficulties, modifications are likely to be made in the scheme for the completion of the Canton-Hankow Railway. It is stated, however, that these will not delay completion of the project, but will take the form of curtailments in secondary enterprises, such as the purchase of cars and machinery, replacement of sleepers and construction of platforms and train ferries.

Shensi Chairman Seeks Funds to Develop Northwest

Shao Li-tze, Chairman of the Shensi Provincial Government, who was in Shanghai during the week, confered with T. V. Soong concerning the industrial development of the North-west under the National Economic Council. According to Mr. Shao, as a preliminary to the development of that region, roads will be constructed between Sianfu and Suchow in Kansu to facilitate communications. A one-year road construction plan has already been formulated by the Shensi authorities, but owing to the lack of funds, work has not yet started. It is said that Mr. Soong has agreed to finance the construction project in the North-west, while several local banks have also intimated their willingness to help.

General Chiang Asks Hupeh Students to Attend to Studies

General Chiang Kai-shek has issued a circular to the the different colleges in Hankow, as well as to the Commissioner of Education in Hupeh, instructing that all students must attend to their studies and that they should exercise great precaution lest they might be used as tools by the reactionary elements in Fukien. General Chiang Kai-shek points out that the only way for the students to save the country is to concentrate their attention on their studies and keep their place in the class room, not in public meetings. The Generalissimo threatens to inflict stern punishment against those who meddle in political affairs.

Special Privileges for Russian Settlers in the Far East

In view of a considerable influx of new settlers in the Far-Eastern region of the U. S. S. R., and in order to improve their economic conditions, as well as the conditions of labor of local workers and employees, the Council of People's Commissaries of the U S.S R. and the Central Committee of the Communist Party have issued a decree, signed by Molotov and Stalin, granting various privileges to the population of the Far Eastern region. The wages of workers and employees are raised by 10 to 30 per cent, while the wages of the Red Army troops stationed in the Far East are also being raised.

Californian Interests Demand Embargo Against Japanese Fish Competition

Finding themselves hard hit by Japanese competition, Californian fishing interests have presented a demand to the Administration for an embargo on canned fish of foreign origin. It is estimated that more than half of the tunny fish consumed in America comes from Japan. Negotiations are at present going on between Japan and America on the matter and it is reported that the Japanese Government has suggested that the United States should permit Japan to import one half of America's consumption in return for which she would bind herself to conform with the sale-prices fixed for said products in America.

Changes Made in Organization of Central Bank of China

Some changes has been effected in the organization of the Central Bank of China. Upon the recommendation of Dr H. H Kung, Governor of the Bank, the Chinese Government has decided to abolish the exchange department in the Bank, amalgamating it with the business department, and to create a new department known as the national treasury department. Hsi Teh-mou heads the business department while Hu Chu-tung is the chief of the new antional treasury department.

China Aviation Administration to Be Expanded

Measures for the expansion of the Chinese Aviation Administration, which has recently been placed under the direct jurisdiction of the Military Affairs Commission, have been definitely decided upon and will be carried out on Jan. 1, 1934. It is reported that there are three new departments under the Administration, namely, the Aviation, Construction, and Technical Departments.

The plan of the Eurasia Aviation Company to send an airplane to Tihua on a test flight Dec. 15, was frustrated following the receipt of a telegram from General Shen Shih-tsai, in Tihua, requesting the Company to postpone the trip. General Shen pointed out that war operations are in progress in Sinkiang at the present time.

A successful test flight on the proposed Changsha-Hankow Airway was made Dec. 10 when an airplane from Hankow flew to Changsha in six hours.

Marshal Chang Hsueh-liang, deposed warlord of Manchuria, whose return to China following an extended sojourn in Europe is expected early in January, may be invited by the National Government, to head the proposed Air Ministry, a recent message from Nanking in the Shanghai *Evening Post* stated. This report was later denied.

Chinese Air Mail to Take C.O.D. Orders

The Shanghai postal authorities announce that, commencing on January 1, C.O.D. orders will, on payment of the usual air-mail money order fee (½ per cent of the amount to be collected), be sent by air-mail. Senders of C.O.D. articles wishing to avail themselves of this facility are to add the words "Refund by Air-mail" on their applications.

Japanese to Purchase Zeppelins for Commercial Transportation

It was announced in Tokyo December 17, that the Japanese Navy has been approached by a group of leading capitalists in Japan, with the Sumitomo financial clique as its centre figure, with a plan for the establishment of a company for regular international air mail and passenger transportation by means of airships. Starting in Tokyo, the projected air line will extend westward to Osaka, Formosa, Batavia and Singapore, and on its return trip, it will touch Hongkong, Shanghai, Changchun and back to Tokyo. The initial capital of the proposed company will be fifty million yen, with which, three giant Zeppelins, of rigid type, will be purchased.

A Japanese battle airplane attached to the aircraft-carrier *Akagi* crashed into the sea at Yokosuka, Dec. 16 when engine trouble developed during a flight. The pilot miraculously escaped injury although the plane was lost.

Receipts from Japanese commercial aviation during the half-year term (June-November) are reported to have been unsatisfactory. In said period, the Japan Air Transport Company, Ltd., yielded a net profit of only Yen 49,585 The company cut its 6 per cent dividend rate, which it has had for a long time, to 5 per cent.

The passenger seaplane *C-55* landed at Petropavlovsk, Kamchatka, recently, completing a flight from Odessa on the Black Sea. The whole distance of 19,670 kilometers was covered at an average speed of 235 kilometers per hour. This flight inaugurated the new Vladivostok-Kamchatka air line, almost 5,000 kilometers long.

Volunteer Air Squadron to Be Organized

The *Shun Pao* says the 18 airplanes contributed by the Shanghai public will soon be reorganized into a volunteer squadron. The inauguration ceremony of the new squadron will take place on January 15 at Nanking.

Value of British Air Mail Service to China Stressed by Former Shanghaian

The inestimable value of the British air mail service to China was stressed by Sir Kenneth Stewart (who was in the service of Maitland & Company, Shanghai, from 1903 to 1919), in an interview with Sir Philip Sasson, Under-Secretary of State for Air, Dec. 19. The *Manchester Guardian*, referring to the experiments for a mail service across Asia to Shanghai made by the German firm of Lufthansa, recalls that at least one machine was forced down in Mongolia and the crew made captives.

China Rolls Up Heavy Adverse Trade Balance

In a report to the Ministry of Industry, the Bureau of Foreign Trade states that the excess of imports over exports during the first half of the current year, amounted to over $474 millions. It predicts that the total excess of imports over exports for the entire fiscal year will amount to $900 millions.

Two Interesting and Useful

BOOKLETS

"The French Strangle-Hold on Yunnan — A First-Hand Survey," by Wilbur Burton.
Price 65 cents

"The Resignation of T. V. Soong — Is China To Be Ruled by Japanese Militarists or Chinese Communists?"
Price 20 cents

These booklets are reprints of articles originally published in **The Review.** They are interesting contributions on recent tendencies and developments in Far Eastern Diplomacy and are well worth reading. Send orders to the undersigned:

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Your chemist sells Dr. Williams' Pink Pills. Let them begin their good work for you to-day!

67-199

Kiangsu Seaboard Land Can Produce Excellent Cotton

To the Editor, *The China Weekly Review*:—

It is understood that requests have been made for funds from the Soong loan to be used in developing the cotton lands of Kiangsu Province. The writer knows these lands. It was a revelation to look out over vast prairies of grass lands, stretching out as far as the eye could reach, with no inhabitants but now and then a cottage on the sky line, fine lands given over to the raising of cattle and crabs.

In consultation with the late Chang Chien, the writer saw that Mr. Chang had absolutely proved that these lands can be made to produce fine crops of cotton, and support thousands of families. He showed me the tract which he first took up. At that time it had practically no inhabitants, but when I saw it, there were thousands of people living there and supporting themselves on that land.

His methods have been adopted by a number of cotton companies, and if they have funds, and can efficiently carry out his methods, these vast tracts can be reclaimed.

At the present writing large quantities of cotton produced by one of these new cotton companies, the Ho-Teh Company, are passing through Yencheng City.

It should be understood that these lands have a nitrous deposit, specially noticeable in the damper places, and this mineral has in the past been worked for salt and other products. But this can be "washed out," and then the lands can be cultivated.

HUGH W. WHITE,
American Missionary.

Yencheng, Kiangsu, Dec. 13, 1933

Jap Censors Must Find "The Review" Very Interesting

(Japan Chronicle, Kobe, Dec. 10)

That the contents of the *China Weekly Review* are found quite interesting may be judged from the fact that it seldom takes less than a month to arrive from Shanghai and sometimes several months. We can only suppose that the post-office people and possibly the police, the "thought section" and others read it *en route*. This has been going on for a long time now, and the only question is the location of the point where the delay occurs. It may be in China or it may be in Japan, but it is certainly somewhere.

Real Estate Review of the Central District by Realty Investment Company

Plans for the new building of the Commercial Bank of China on the corner of Foochow and Kiangse Roads, have been approved by the Council, and, of course, represent the largest item among those submitted during the last week. Work has already been in progress on the foundations, and now the builders are ready to go ahead with the building proper. This fine building will be 18 stories high and will be set back and in general appearance will harmonize with the Metropole Hotel and Hamilton House. It is fine to have such a splended array of buildings on the Bund, but it is also gratifying to see such fine centres developing in the midst of the business district. With this first unit of the so-called municipal square setting such a fine example, it is hoped that the other three corners on the municipal building will be able to take as great advantage of the setbacks as this first corner.

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The National City Bank of New York, Rates of Exchange

Shanghai, Dec. 20, 1933.

Demand selling rate on America:	U.S.$100 = Sh. $299.06
Demand buying rate on America:	U.S.$100 = Sh. $295.75
Demand selling rate on London:	£1.0.0 = Sh. $15.422
Demand rate on buying London:	£1.0.0 = Sh. $15.238

Latest New York Stock Exchange Quotations

Market—Irregular — Business Done 1,020,000 Shar

December 20, 1933

1933 High	1933 Low	Div.$ per Sh.	STOCKS	Mon. Dec. 18	Tue. Dec 19.
18¾	5	—	Adams Express	7⅛	7¼
38	11⅛	0.60	Alaska Juneau	21⅛	21⅝
150	70¾	6.00	Allied Chemical & Dye	143⅝	144¾
100	49½	4.00	American Can	94⅝	94⅝
19⅝	8⅝	—	American & Foreign Power	8⅝	8
44⅞	7¼	—	American & Foreign Power 7% Pfd.	18¾	18
13½	2⅝	—	American & Foreign Power Warr.	Unq.	5¼
23⅝	3½	—	American Metal Co.	17⅝	17⅝
53½	10¾	—	American Smelting	41⅝	41⅞
134¾	86½	9.00	American Telephone & Telegraph	110¼	110½
94⅝	50¾	5.00	American Tobacco "B"	71	71
43¼	10⅞	1.00	American Waterworks	18¼	18¼
22⅝	5	—	Anaconda Copper	13⅝	13¾
18⅝	5⅞	—	Atlas Corporation	Unq.	10½
84¼	81	2.00	Auburn Automobiles	55	53⅝
87⅞	8¼	—	Baltimore & Ohio	23⅛	23⅛
49¼	10⅛	—	Bethlehem Steel	34¾	34⅞
87⅝	18	1.60	Borden Company	20⅝	20
21⅝	5½	0.25	Borg Warner	19⅛	19⅛
20⅞	7¼	—	Canadian Pacific Railway	12¾	12⅞
103½	80½	—	Case, J. I.	68½	68¾
47⅞	17⅝	1.40	Chase National Bank	17¾	17¼
52⅛	14⅜	2.00	Chesapeake Corp.	32¾	32½
53	7¾	0.50	Chrysler Corp.	50⅛	50¼
28⅛	9	0 50	Columbia Gas & Electric	11⅞	11¼
6⅛	1⅜	—	Commonwealth & Southern	1⅝	1½
64⅛	36¾	3.00	Consolidated Gas of N. Y.	37⅝	37
19⅝	4⅞	—	Continental Oil	17	17
90⅝	45⅝	3.00	Corn Products	74⅞	73⅛
7½	2⅜	—	Coty Inc.	4	4
4⅜	1⅛	—	Curtiss Wright Company	2¼	2½
18¼	10½	0.75	Douglas Aircraft	13½	13½
92	82¼	*2 00	Du Pont de Nemours	85⅝	89
89¾	46	3.00	Eastman Kodak	79	80¾
41⅝	10	—	Electric Bond & Share	12¾	11⅝
15⅜	8½	—	Electric Power & Light	4⅞	4¾
19	12	—	Fox Film	14	18½
10¾	2⅞	—	General Aviation	5	5
30¼	10½	0.40	General Electric	18⅞	18⅜
39⅞	21	1 80	General Foods	34¾	33⅞
55⅜	10	*1.00	General Motors	32½	33
49½	13¼	1.00	General Railway Signal	31	32½
27⅜	12	1.20	Gold Dust	17	16¾
47½	9¼	—	Goodyear Tire & Rubber	33¼	34⅛
40	6⅛	—	International Cement	29½	30
46	18⅝	0.60	International Harvester	38⅞	39⅛
22⅝	6¾	—	International Nickel	21½	21½
21¾	5½	—	International Telephone & Telegraph	13½	13
63⅜	12¼	—	Johns Manville	58½	58⅛
26	7⅜	—	Kennecott	19⅞	19⅞
79⅜	37½	2.40	Lehman Corporating	67	Unq.
99¾	43½	*4.00	Liggett & Myers, "B"	81¼	82¼
86½	8½	1.00	Loew's: Inc.	29⅞	30
25½	10⅝	1.20	Lorillard P. Co. (Com.)	16¾	16⅝
48⅝	18	1.00	McIntyre Porcupine	38⅜	38
28⅞	8⅝	—	Montgomery Ward	21⅞	21¾
64½	19⅞	1.00	National City Bank (bid price)	18	17⅝
41⅝	5⅝	—	National Distillers	25½	24⅝
58½	14	—	New York Central	38⅝	38½
86¼	14	8%S	North American Company	14⅛	14¼
96¾	31½	2.00	Owens Illinois Glass	79½	80
31⅞	16½	1.50	Pacific Gas & Electric	17	17
6⅞	1¾	—	Packard Motors	3¾	3¾
42¼	18⅝	0 50	Pennsylvania Railroad	26⅜	29½
6⅜	1⅛	—	Pennroad Corporation	2½	2⅛
18¾	4¾	—	Phillips Petroleum	15⅜	15⅝
12½	3	—	Radio Corporation	6⅞	6⅞
5¾	1	—	Radio-Keith Orpheum	2⅜	2¼
54¼	26½	3.00	Reynolds Tobacco "B"	45½	46
47	12½	—	Sears Roebuck	41	41½
11⅝	4	—	Shell Union	7½	7¾
17	6	0.25	Socony-Vacuum Corp	15⅝	15⅛
28	14¼	2.00	Southern California Edison	16	15½
22½	5⅜	—	Standard Gas & Electric	7⅝	7½
47	22¾	1.00	Standard Oil Co., of N. Jersey	44¾	44
60¾	49½	—	Sterling Products	51½	50½
8⅝	1½	—	Studebaker	4⅜	4⅛
30¼	10¾	1.00	Texas Corporation	25¼	24¾
45¼	15¼	1.00	Texas Gulf Sulphur	39⅝	40½
9¾	2⅝	—	Trans America	6½	6⅝
51⅞	19¾	1.00	Union Carbide & Carbon	44⅜	44¾
132	61¼	6.00	Union Pacific	112¼	110¾
46⅞	16½	—	United Aircraft & Trans.	31½	31⅞
14½	4⅞	—	United Corporation	4⅞	4¾
25	14	1.20	United Gas Improvement	15	15
25	9⅞	—	U. S Rubber	15½	15¼
67½	23⅝	—	U S Steel	46⅛	46¼
51¼	21½	*2.00	Universal Leaf Tobacco	43¾	43¼
38¾	7⅝	—	Vanadium	21⅞	22¼
9¼	1	—	Warner Bros. Pictures	5⅝	5½
58¾	19⅜	—	Westinghouse E. & M.	37½	37
50¾	25⅝	2.40	Woolworth	40¾	40

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